

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL & GAS

ML-22161

5. Lease Designation and Serial No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. If Indian, Allottee or Tribe Name

DIRTY DEVIL UNIT

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No. 11-29

10. Field and Pool, or Wildcat

SEC. 27 T9S-R1E SLM
11. Sec., T., R., M., or Bk.
and Survey or Area

UINTAH CO. UTAH

12. County or Parrish 13. State

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil
Well ☐Gas
Well ☒

Other

Single
Zone ☐Multiple
Zone ☐

2. Name of Operator

HIKO BELL MINING & OIL COMPANY

3. Address of Operator

P.O. DRAWER AB, VERNAL, UTAH, 84078

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface

NW 1/4 NW 1/4 SEC. 27 (815 FWL & 505 FNL)

At proposed prod. zone

SAME

14. Distance in miles and direction from nearest town or post office*

6 mi. SW of Bonanza, Utah

15. Distance from proposed*

location to nearest
property or lease line, ft.

505'

(Also to nearest drlg. line, if any)

18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.

NONE

16. No. of acres in lease

640.00

17. No. of acres assigned

to this well

320

19. Proposed depth

7,659'

20. Rotary or cable tools

ROTARY

21. Elevations (Show whether DF, RT, GR, etc.)

5530.04*

22. Approx. date work will start*

4-1-85

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
17 1/2"	13-3/8" J-55	54.50	300'	366 sx Class G
12 1/4"	9-5/8" J-55	36.00#		845 sx Class G
8 3/4"	5 1/2" N-80	20 & 23#	7,650	712 sx Self-stress

Plan to drill 7,650' test 400' into Neslin facies of Masaverde fm. Plan to drill 17 1/2" hole to 300' & set 300' of 13 3/8" casing & cement, circulating to surface. Plan to drill out from under surface with 12 1/4" hole to 3,600' and set 3600' of 9 5/8" intermediate casing, using water as circulating medium. Intermediate casing will be cemented with 845 sx., Class G. Plan to drill 8 3/4" hole, using brine water to 7,650 & use brine water & set 5 1/2", N-80 casing to T.D. & cement with 712 sx of self-stress cement. Plan to test Neslin facies. Estimated tops: Uinta fm.: Surface, Green River fm., 1,480, Wasatch fm. 4,000, Farrer facies of Mesaverde 6,130 and top Neslin facies of Mesaverde 7,110.

Anticipated BHP 2,200 psi *

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

Robert E. Livingston

Title

Manager, Exploration

Date

4-10-85

(This space for Federal or State office use)

Permit No.

Approval Date

Approved by

Title

DISTRICT MANAGER

Date

4/19/85

Conditions of approval, if any:

APPROVED FOR UNIT PURPOSES ONLY

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

Ut 080-5M-139

*See Instructions On Reverse Side

* See Pub. Commission 4/10/85 Div O&G M

CONDITIONS OF APPROVAL

The Vernal District Petroleum Engineers have reviewed the Application for Permit to Drill for technical adequacy and concur with the down hole portion of the request providing the following stipulations are included as a part of the approval:

1. Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.
2. One copy of each geophysical log run on this well shall be submitted to this office
3. NOTE: This well must be spudded prior to May 1, 1985, otherwise, the Dirty Devil Unit will automatically terminate.

RECEIVED

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL & GAS

ML-22161

5. Lease Designation and Serial No.

DIVISION OF OIL

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. If Indian, Allottee or Tribe Name

DIRTY DEVIL UNIT

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No. 11-29

10. Field and Pool, or Wildcat

SEC. 29 T9S-R24E SLM
11. Sec., T., R., M., or Bk.
and Survey or Area

UINTAH CO. UTAH

12. County or Parrish 13. State

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil Well ☐Gas Well ☒

Other

Single Zone ☐Multiple Zone ☐

2. Name of Operator

HIKO BELL MINING & OIL COMPANY

3. Address of Operator

P.O. DRAWER AB, VERNAL, UTAH, 84078

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

NW¹/₄ NW¹/₄ SEC. 29 (815 FWL & 505 FNL)

At proposed prod. zone

SAME

14. Distance in miles and direction from nearest town or post office*

6 mi. SW of Bonanza, Utah

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drlg. line, if any)

505'

16. No. of acres in lease

640.00

17. No. of acres assigned
to this well

320

18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.

NONE

19. Proposed depth

7,659'

20. Rotary or cable tools

ROTARY

21. Elevations (Show whether DF, RT, GR, etc.)

5330' GR

22. Approx. date work will start*

4-1-85

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
17 ¹ / ₂ "	13-3/8" J-55	54.50	300'	366 sx Class G
12 ¹ / ₄ "	9-5/8" J-55	36.00#	3600'	845 sx Class G
8 3/4"	5 ¹ / ₂ " N-80	20 & 23#	7,650	712 sx Self-stress

Plan to drill 7,650' test 400' into Neslin facies of Masaverde fm. Plan to drill 17¹/₂" hole to 300' & set 300' of 13 3/8" casing & cement, circulating to surface. Plan to drill out from under surface with 12¹/₄" hole to 3,600' and set 3600' of 9 5/8" intermediate casing, using water as circulating medium. Intermediate casing will be cemented with 845 sx., Class G. Plan to drill 8 3/4" hole, using brine water to 7,650 & use brine water & set 5¹/₂", N-80 casing to T.D. & cement with 712 sx of self-stress cement. Plan to test Neslin facies. Estimated tops: Uinta fm.: Surface, Green River fm., 1,480, Wasatch fm. 4,000, Farrer facies of Mesaverde 6,130 and top Neslin facies of Mesaverde 7,110.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

Robert E. Livingston

Title

Manager, Exploration

Date 4-10-85

(This space for Federal or State office use)

Permit No.

Approval Date

Approved by

Title

Date

Conditions of approval, if any:

RECEIVED

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL & GAS

APR 17 1985

ML-22161

5. Lease Designation and Serial No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

6. If Indian, Allottee or Tribe Name

DIRTY DEVIL UNIT

7. Unit Agreement Name

1a. Type of Work

DRILL ☒DEEPEEN ☐PLUG BACK ☐

b. Type of Well

Oil Well ☐Gas Well ☒Other ☐Single Zone ☐Multiple Zone ☐

2. Name of Operator

HIKO BELL MINING & OIL COMPANY

3. Address of Operator

P.O. DRAWER AB, VERNAL, UTAH, 84078

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface

NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC. 29 (815 FWL & 505 FNL)

At proposed prod. zone

SAME

14. Distance in miles and direction from nearest town or post office*

6 mi. SW of Bonanza, Utah

15. Distance from proposed*

location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

505'

16. No. of acres in lease

640.00

17. No. of acres assigned to this well

320

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.

NONE

19. Proposed depth

7,659'

20. Rotary or cable tools

ROTARY

21. Elevations (Show whether DF, RT, GR, etc.)

5330.04, G.L.

22. Approx. date work will start*

4-1-85

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
17 $\frac{1}{2}$ "	13-3/8" J-55	54.50	300'	366 sx Class G
12 $\frac{1}{4}$ "	9-5/8" J-55	36.00#	3600'	845 sx Class G
8 3/4"	5 $\frac{1}{2}$ " N-80	20 & 23#	7,650	712 sx Self-stress

Plan to drill 7,650' test 400' into Neslin facies of Mesaverde fm. Plan to drill 17 $\frac{1}{2}$ " hole to 300' & set 300' of 13 3/8" casing & cement, circulating to surface. Plan to drill out from under surface with 12 $\frac{1}{4}$ " hole to 3,600' and set 3600' of 9 5/8" intermediate casing, using water as circulating medium. Intermediate casing will be cemented with 845 sx., Class G. Plan to drill 8 3/4" hole, using brine water to 7,650 & use brine water & set 5 $\frac{1}{2}$ ", N-80 casing to T.D. & cement with 712 sx of self-stress cement. Plan to test Neslin facies. Estimated tops: Uinta fm.: Surface, Green River fm., 1,480, Wasatch fm. 4,000, Farrer facies of Mesaverde 6,130 and top Neslin facies of Mesaverde 7,110. Maximum anticipated bottom hole pressures are 2,200 psi.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 4/26/85

BY: [Signature]

WELL SPACING: Unit well A-3

Manager, Exploration

4-10-85

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give pertinent data on surface locations and measured bottom hole pressures. If proposal is to drill or deepen directionally, give pertinent data on surface locations and measured bottom hole pressures. Give bottom hole pressure program, if any.

24.

[Signature]

TO

Office Space for Federal or State Office/Use

Permit No.

Approval Date

Approved by

Title

Date

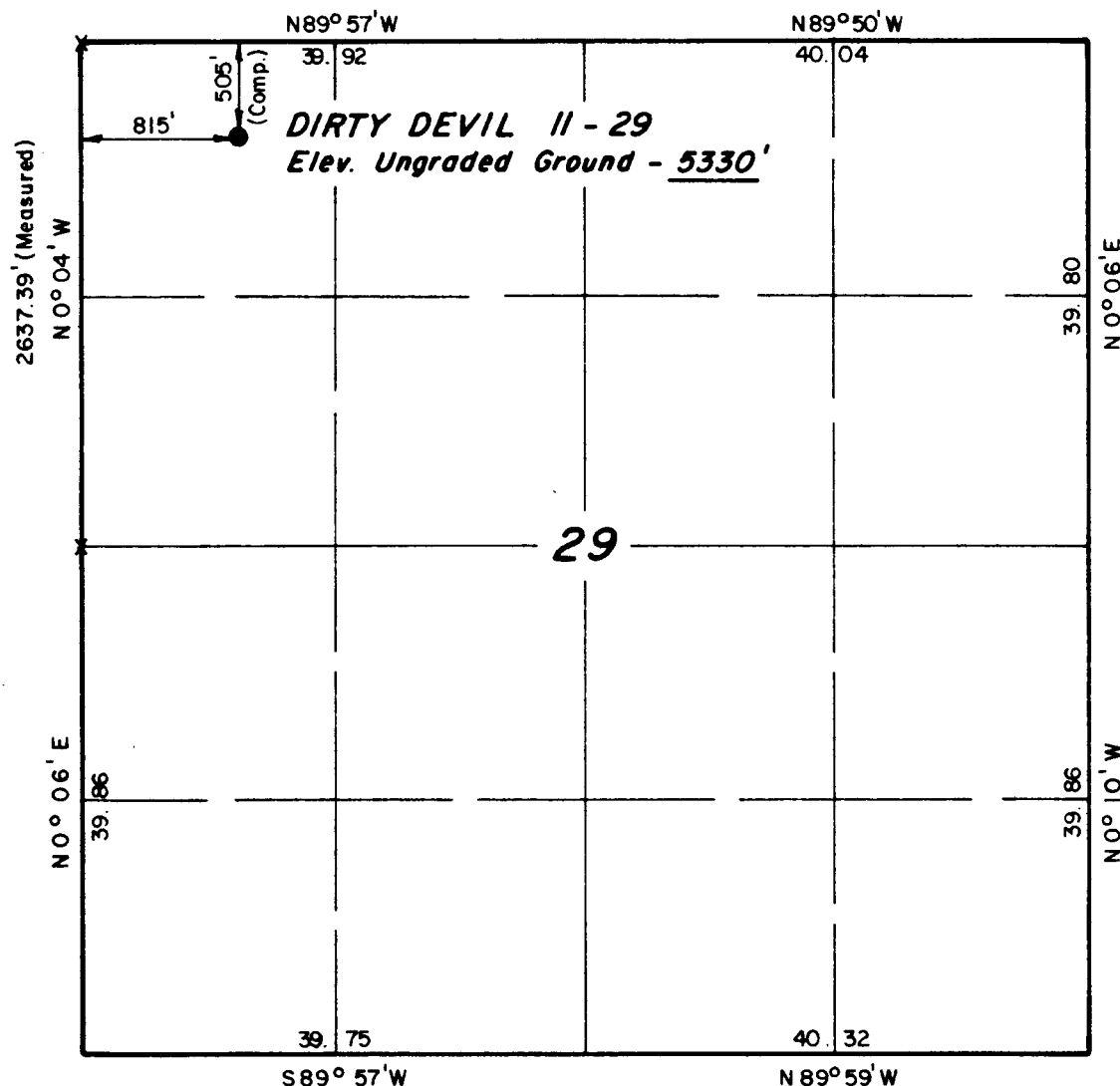
Conditions of approval, if any:

T 9 S , R 2 4 E , S . L . B . & M .

PROJECT

HIKO BELL

Well location, **DIRTY
DEVIL II-29**, located as
shown in the NW1/4 NW1/4
Section 29, T9S, R24E ,
S.L.B.&M. Uintah County,
Utah.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]

REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P.O. BOX Q - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE	1" = 1000'	DATE	4/10/85
PARTY	DB	RP	REFERENCES
WEATHER	Fair	FILE	Hiko Bell

X = Section Corners Located

WELL HISTORY

Hiko Bell Mining & Oil Company
Dirty Devil Unit
Dirty Devil 11-29
NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 29
T9S-R24E, SLM
Uintah County, Utah

Report For: Hiko Bell Mining & Oil Company

By: Robert E. Covington
Vernal, Utah

Dated: January 24, 1986

SUMMARY SHEET

Well Name: Dirty Devil 11-29

Operator : Hiko Bell Mining and Oil Company
P.O. Drawer AB, Vernal, Utah 84078

Lease No.: State of Utah Oil & Gas Lease ML-22161

Location: NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 29, T9S-R24E, SLM
Uintah Co., Utah (815 FWL & 505 FNL)

Elevation: 5343 KB, 5530 gvd.

Spud: 4-30-85

Completed Drilling:
10-27-85

Total Depth: 7355'

Status: Completed as producing gas well, Neslin facies of Kmv
perforated: 7190-7200, 7080-91, 7036-52.

Contractor: Win-Rock Drilling Co., Denver, Colorado, Rig#7

Tool Pusher: Bob Lafferty

Supervisor: Craig Caldwell

Engineer: Benny Saiz

Geologist: Robert E. Covington

Hole Size: 14 3/4', Surface to 250
9 5/8, 250-2908'
7 7/8, 2908-7355'

Casing: 10 3/4", J-55, 40.5# landed at 250' and cemented with
215 SX Class "G". 4 1/2", J-55, 9.5 & 10.5#, landed at 7355'.
Cemented w/1218 SX. Cement w/DV tool at 5517', in 2 stage
job, B.J. Titan Service Co. Roosevelt, UT.

Frac Job: Dowell-Schlumberger. Frac'd w/500 bbls cross-linked gelled
KCL w/ 1,2 & 3#/ gal 20-40 sand.

Electric Logs: Gearhart Industries, Vernal, Utah
Dual Induction-Laterlog, 256-7354'.
Compensated Neutron-Formation Density
Log w/Caliper & GR, 244-7349'.
Laserlog, 250'-7330:
Cement Bend Log, GR-CC1-939-7264'.

Mud Logs: Melton Enterprises, Vernal, Utah
Logged 250'-7355'. Samples: 30', 250-3000',
10', 3000-7355'.

DST's: None

Cores: None

Mud Engineer: Coray Goodrich, Goodrich Mud Co.,
Vernal, Utah

Circulating Medium:
Fresh Water, 250-3000'
KCL wtr, 2%, 3000-7270'.
Gel Mud 7270-7355'.

FORMATION TOPS
=====

<u>Formation</u>	<u>Depth</u>	<u>Mean Sea Elevation</u>
<u>Uinta Formation</u>	Surface	--
<u>Green River Formation</u>		
Evacuation Ck. Member	935	+4368
Parachute Ck. Member	1380	+3863
"H" Marker	2840	+2503
Douglas Ck. Member	3220	+2123
"I" Marker	3330	+2013
"L" Marker	3750	+1593
"Y" Marker	3900	+1443
"G" Marker	3940	+1403
<u>Wasatch Formation</u>	4070	+1273
<u>Mogave</u> de <u>Crown</u>		
Farrer Facies	6020	- 677
Neslin Facies	6980	-1637

RESUME OF OIL & GAS SHOWS

Hiko Bell Dirty Devil 11-29

NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 29

T9S-R24E, SLM

Uintah County, Utah

EL. KB

1398 Drilling break from 4"/ft to 1"/ft

1540-1680 Marlstone, dull gold fluorescence

1749 Drilled to geolograph, Well kicking after trip for plugged bit.

2100-2130 Marlstone with oil stain as above

2150 Lost circulation. Drilling break at 2120 from 2"/ft to 1"/ft.
Regained partial circulation. Drilled to 2188, lost full return.
Well kicking while drilling cement at 1750 after trip for
plugged bit.

2200-2250 Abundant black oil over shaker after drilling cement plug.

2600-2620 Marlstone w/oil stain

2740-2760 As above

2830-2870 A/A

3678-3695 Drilling break from 1" to $\frac{1}{2}$ ft.

3730-3740 SS. with brown oil stain

3750-3760 SS, AA, oil stain, gas increased from 75 units background to
125 units.

At 3678-3695 very fast break and 3760 -68 (8) and 3789-3795
2"ft to 1"/ft

3820-3840 Gas increase 125/75 3840 - drilling rate from 1" to 3"/ft

4440-4460 Drilling break 4465, drilling time increased from 3"/ft to 1"/ft
at 4471 from 1"/ft to $\frac{1}{2}$ "/ft to 4490 (19')

200/25 a 175 unit gas increase with brown oil on pits

4470-4500 Gas increased from 50 bkgd to 125 units

5066-5072 D.T. 3" to 1"/ft (6') (5060-68 Melton)
Gas increased from 300 to 375 units,

Resume of Oil & Gas Shows, 11-29, Cont. (page two)

5594	1"/ft (prior time Aug. 4"/ft (Melton: 5571-84)
5595-97	½"/ft Total 6'
5597-5600	1"/ft. Circulated 1 hr. 30" Trip for new bit at 5605', w/gas incr. for 200 unit increase to 550 units Gas to 4300 units, trip gas
5650-60	D.B. 2" to 1"/ft.
5710-20	B.B. 2" to ½"/ft
5740	Gas from 200 to 450 units - no D.B.
5791-5800	2' to 1" D.B.
5828-53	2" to 1"/ft. D.B.
5917-5933	1½ to ½' D.B.
6038-6051	D.B. time 2 & 2/ft to 1"/ft (161) 100 unit increase in gas
6075-6114	D.B. 2½ to 1"/ft 200 Unit increase
6165-96	D.B. 2" to 1"/ft 200 unit incr. 6204 (M)
6225-45	D.B. 3" to 1"/ft
6260-99	D.B. 3 & 4"/ft to 1"/ft
6360-66	150 unit incr. No Ø bk.
6460-6500	200 unit incr. (6450-58, Drilling bk.)
6500-08	125 unit incr. 6487-98, 6503-08
6575	Heavy incr. blk. oil
6590-6600	400 unit incr.
6630-54	300 unit incr.
6658-80	400 unit incr.
6800-50	Back grd. 1200 units. 100 unit incr.
6850	Bk. grd. 1400 units

Resume of Oil & Gas Shows, 11-29 cont. (page three)

6886-90	4' drill bk, gas incr. 100 units to 1500 units
7040-62	Gas incr. from 1100 to 2200 units
7076-90	Gas to 2800 at 7080, 8,000 at 7084 and 3,000 at 7090. Drilling break 7085-90
7166-76	Gas incr. to 3200 to 3,800 units
7188-7214	Gas at 2800 units. Drilling break 7190-7217
7250	Gas as follows: 3,000/2,000
7292-7300	Drilling break, gas to 3700 units
	T.D. 7355'

BIT RECORD

<u>NO.</u>	<u>TYPE</u>	<u>MAKE</u>	<u>SIZE</u>	<u>IN</u>	<u>OUT</u>	<u>FOOTAGE</u>	<u>HOURS</u>	<u>COND</u>
1.	F4	STC-New	9 7/8	729	2909	2188	70½	2-2-1
2	F4	STC-New	7 7/8	2909	5607	2498	114 3/4	
3	F5	STC-New	7 7/8	5607	7334	1729	73¼	
4	J-2	HTC-New	7 7/8	7334	7355	21	2	

SAMPLE DESCRIPTIONS

<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
1050	1080	Sandstone, light gray, fine grain, w/sub-angular grains, shaley, w/trace gilsonite
1080	1100	Sandstone, AA, w/sub-rounded to sub-angular frosted grains, finely pyritic, w/s/ gilsonite flecks. Trace biotite.
1100	1130	Siltstone, light gray, calc. trace calcite.
1130	1160	Siltstone, AA & shale, light gray, calcareous
1160	1200	Sandstone, white, fine grain, pyritic w/s/shale & siltstone, AA, gilsonite flecks, common.
1200	1220	Sandstone, AA, fine to medium grain, w/s/porosity & w/frosted sub-rounded grains
1220	1260	Shale, light gray, calc, w/increase siltstone, 20-40%
1260	1280	Sandstone & siltstone, AA, w/shale, siltstone medium gray
1230	1300	No sample
1300	1380	Shale, white, calc, w/s dark gray shale, trace light green shale, trace dark gray limestone
1380	1410	Shale, brown and tan, grading into marlstone, tan to brown
1410	1440	Shale, gray & black, no show. trace pyrite
1440	1470	Shale, black, platy to fissile, dolomitic, w/s/ medium gray and tan trace marcasite. Tan shale, soft, common.
1470	1500	Shale, black AA & LS, medium brown, dolomitic. Trace brown-black free oil globules. FIRST show oil
1500	1530	Dolomite, tan & shale, black, w/s/free oil globules. Trace siltstone, black, heavily oil saturated, brown LS, sucrosic, w/patch oil stain pyritic
1530	1560	Shale, black, dolomitic, w/s/dark gray dolomite, shale, Trace sandstone, fine grain w/black oil stain. Oil globules, common. Some dark & medium brown dolomitic limestone
1560	1590	Shale, medium to dark gray, grading into siltstone, black, heavily oil saturated, w/oil globules very common. Some tan dolomitic limestone.
1590	1620	AA, w/oil globules, common.

SAMPLE DESCRIPTIONS

<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
1620	1650	Shale, black, silty, black oil saturated, w/trace gilsonite, w/s/ medium brown marlstone. Trace shell, brown, curly.
1650	1680	Shale, black platy to fissile w/first trace mancolite shards, feathery. Some medium brown marlstone
1680	1710	Shale, black, AA & marlstone, tan w/trace sandy marlstone, grading into dolomitic ss w/brown oil stain, medium grain, tite
1710	1740	Shale, black, silty, dolomitic and light gray, dolomitic w/s/tan, finely crystalline limestone, shale is platy to splintery
1740	1770	Shale, AA, W/strong increase in black oil globules and black oil coating fracture planes. Trace brown, blocky, pelletal dense marlstone
1770	1800	Limestone, white, laminated to chalky and dolomite, medium brown, ("marlstone") and shale, black, silty. dolomitic, grading into dolomitic limestone
1800	1830	Shale, light gray, soft, silty to sandy and black shale, AA w/oil globules, common. Trace light gray, laminated limestone
1830	1860	Shale, light gray, soft and black, AA w/s/brown limestone, finely sandy w/s/ dark brown intergranular oil stain. Trace limestone, white, laminated, silty
1860	1890	Limestone, tan, blocky to finely sandy, in part microcrystalline w/some gray, sandy limestone w/black oil saturation w/whitesoft shale, common.
1890	1920	Limestone, AA, w/increase in heavy black oil saturation, finely sandy
1920	1950	Shale, black & gray w/trace gray, fine grained calc, tite, shaley sandstone
1950	1980	Limestone, brown and med. gray; fissile dolomitic w/trace sandstone fine - medium grained. sub-rounded, w/brown oil stain. Black oil oil globules, common
1980	2010	Shale, black & dolomitic, tan, finely crystalline. Some shale, white to light tan, platy, common.

(3)

SAMPLE DESCRIPTIONS

<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
2010	2040	Marlstone, medium brown, laminated and limestone, gray-black, dense w/s/platy, shiney shell material. White, platy shale, common. Trace sandstone, medium grained, sub-round, wh/brown oil stain, rare.
2040	2070	AA w/increase in sandstone, fine - medium grain, oil stain, w/cluster appearance.
2070	2130	AA w/increase in white, chalky limestone and few medium coarse grained sandstone clusters with brown oil stains.
2130	2190	No samples. Lost circulation. Circulated out 30 barrels brown, black, gassy oil to pits. Gold florescent, yellow cut, good odor.
2190	2220	Dolomite, tan and gray, dense, very finely crystalline, with some cement. Shale, black, common. Brown oil staining on siltstone, common. White chalky limestone, cement, common.
2220	2250	As above with increase in black siltstone
2250	2280	Shale, medium gray, dolomitic w/s tan dolomitic limestone
2280	2310	Shale, dolomitic, light to medium gray, platy to fissile. Trace sandstone medium grained, with brown oil stain
2310	2340	Shale, AA & limestone, medium brown, finely crystalline, dolomitic, w/brown oil stain on fracture planes. Shale, pale blue, soft, common.
2340	2370	Shale, medium gray, dolomitic and shale, white, calc, soft.
2370	2400	Shale, white, dolomitic, soft, grading into chalky limestone, trace pyrite
2400	2460	Shale, light to medium gray, soft, w/white shale, common. Marlstone, tan, common.
2460	2490	AA w/s/tan marlstone
2490	2520	Marlstone, tan and brown, w/s tan and white chalky nodular limestone, gray shale, common.
2520	2600	Shale, black w/white flecks, dolomitic. Marlstone, AA common.trace pyrite, shale is platy to fissile

SAMPLE DESCRIPTION

<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
2680	2740	Marlstone, tan and medium brown, w/s/gray and white shale, AA, trace medium gray pelletal limestone, dense, crystalline. Trace pyrite.
2740	2800	Shale, medium gray, dolomitic, fissile and shale, light gray, soft, dolomitic w/marlstone, AA common. Trace limestone, medium brown, crystalline, pyrite common. Trace tan limestone, very finely crystalline. Trace white shell, flaky. Some gray dolomite, siltstone, hard tite.
2800	2830	Shale, light to medium gray, dolomitic and limestone, white, chalky pelletal limestone w/shell fragments and sandy in part w/brown, glassy, rounded grains. Trace brown oil stain.
2830	2860	Shale, medium gray, dolomitic, finely micaceous, w/s/ light gray waxy shale.
2860	2890	Siltstone, white, very fine grain, hard, tite, calc. & shale, AA w/s/ sandstone has rounded, black oolites.
2890	2920	Siltstone, white, hard, tite, calc., w/s/ sandstone and limestone, platy, rare. Trip for new bit and reduce hole size to 7 7/8".
2920	2950	Shale, medium gray, dolomitic, finely pyritic with white fine grain, hard, tite, sandstone w/small black oolites, rare.
2950	3010	Sandstone, white very fine to fine grained, tite, w/sub-rounded to sub-angular grains w/dolomite binder and shale, black, dolomitic. Sandstone, dark gray, quartzitic, w/black oolites, common, 2980-3010
3010	3040	Siltstone, white, w/shale and sandstone, AA, common
3040	3100	Marlstone, light to medium brown w/s/shale and sandstone, AA sandstone, white, AA, common w/s/large gray oolites, common.
3100	3130	Limestone, white chalky, w/white, medium size oolites w/10% shale, black oil saturated, dolomitic. Sandstone, white medium grain, trace pale blue and green shale, trace brown crystalline limestone
3130	3140	Siltstone, white, dolomitic, hard, tite and sandstone, white, fine grained, dolomitic

SAMPLE DESCRIPTIONS

<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
3140	3150	Siltstone, AA
3150	3160	Siltstone, AA and shale, light gray w/s/light gray-white sandstone, hard, tite, bleeding gas under microscope
3160	3180	Limestone, tan, oolitic and shale, medium to dark gray
3180	3200	Siltstone, white, grading into fine grained dolomitic sandstone with shale, medium gray, pyrite, common. Increase in black-gray shale, 3190-3200, trace white chalky limestone
3200	3270	Shale, black, platy, dolomitic, w/s/brown and tan marlstone
3270	3330	Siltstone, white, dolomitic, hard, tite, w/s/shale and dolomitic limestone
3330	3390	Shale, black, dolomitic w/s/light gray limestone, fissile. Limestone, medium gray w/tan small oolites. Siltstone, white, AA, rare.
3390	3420	Siltstone, medium gray, blocky, hard, tite, dolomitic and shale, medium gray
3420	3450	Shale, pale green-gray, platy to fissile with shale, pale green, rare, trace light gray platy limestone
3450	3480	Shale, AA
3480	3540	No Sample
3540	3570	Shale, pale green-gray, calcareous. Trace sandstone white, fine-medium grained, finely pyritic, w/sub-round grains, w/white calcite binder
3570	3660	No Sample
3660	3690	Limestone, tan to medium brown, oolitic to dense, w/green to gray shale, AA
3690	3728	Shale, pale to green-gray, fissile, calc.
3728	3758	Limestone, tan, oolitic, chalky to dense, with sandstone very fine grained, w/brown oil saturation, rare. Trace dark brown coarsely granular limestone with white oolitic limestone. Good drilling break 3728-58. Increase gas from 80 to 160 units and 80 to 110 units.

SAMPLE DESCRIPTIONS

<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
3758	3820	Limestone, gray, oolitic to pelletal, w/spotty brown oil stain and w/s/very fine grained sandstone with oil staining w/smedium gray blocky shale
3820	3880	Shale, medium gray, calc, w/s/limestone AA and w/s/white chalky limestone
3880	3950	Siltstone, white calc, hard, tite and sandstone white, fine grained, poorly sorted, tite, clean, finely pyritic, w/s/gray shale, AA
3950	4010	Limestone, tan, oolitic to ostracodal, in part chalky w/trace fine grained sandstone w/brown oil stain
4010	4040	Limestone, tan, oolitic to ostracodel, in part chalky
4040	4070	Limestone, AA and shale, medium to dark gray
4070	4100	Shale light to medium gray, calc, w/s light tan ostracodel limestone w/small to large ostracods. Free floating ostracods
4100	4130	Shale and limestone, AA, w/s maroon, waxy shale. Some medium gray waxy shale
4130	4160	Shale, gray and vaicoloraed, maroon, green and lavender waxy, calc. shale mustard green,c.
4160	4190	Sandstone, white fine grained, calc, grading into very fine grained to medium grained w/orange chert pebbles w/hite lime binder
4190	5090	Shale, medium gray, calc., soft & varicolored, maroon and purple w/pale green shale, some sandstone white, hard, tite, pyritic.
5090	5150	Shale, AA and sandstone, white, very fine to medium fine grained w/white calc. cement. Sandstone, gray-green, granular, w/brown oil stain w/decrease in sandstone, 5120-50
5150	5300	Shale, as above, w/varicolored shale w/increase in mottling. Trace pyrite.
5300	5450	AA w/trace gray, medium fine grain, blocky sandstone w/brown oil stain, w/ increase in black shale, 5330-60 Increase in sandstone, white, fine grained 5360-90 limestone, tan, finely crystalline, flaky
5450	5600	Shale, As Above and sandstone, AA (20%) w/free black oil globules, 5540-5600, common. sandstone is white, chalky, w/black chert inclusions.
5600	5607	Sandstone, white fine grained, tite, calc, drilled 2' w/150 unit increase. Staying in over background.

SAMPLE DESCRIPTIONS

<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
5607	5630	Shale, AA w/some sandstone, AA
5630	5660	Shale AA, w/s/ black, carbonaceous shale
5660	5690	Shale, AA w/shale, black, AA, common. Some white and gray sandstone fine to medium fine grained
5690	5720	Shale, medium gray, w/s/ black and varicolored shale w/some limestone, brown and very fine grained
5720	5750	Shale, light to medium gray, w/some sandstone and limestone, AA
5750	5900	Sandstone, white fine grained, w/white lime binder w/black granules and shale, AA. Trace gray calc siltstone, black shale, trace brown oil stain, some friable sandstone grains. Medium brown, very fine grained limestone, c.
5900	5960	Shale, black and gray, calc. and sandstone white, fine to medium grained, calc. w/sub-rounded grains.
5960	6050	Sandstone. white, fine-medium grained, sub round to sub-angular, w/black and gray chert inclusions, w/s/gray shale AA. Some sandstone, white and fine grained, hard, tite with sandstone, dark gray w/black and gray rounded pellets, incl., w/black shale.
6050	6110	Sandstone, medium grained, friable, w/subrounded frosted grained w/s/black and gray angular fragments and w/s/shale AA.
6110	6140	Shale, gray and black w/s/sandstone AA. Trace Sandstone, fine grained, well saturated w/light tan oil stain.
6140	6200	Shale, AA, w/s/sandstone and AA trace sandstone, white-gray, clear, crystalline, hard, tite, some gray-white calc, siltstone.
6200	6380	Shale, 80% and sandstone, 20%, AA w/s/tan oolitic limestone.
6380	6440	Sandstone, white fine-medium grained, in part friable, w/white clay binder, 80% and shale, light to medium gray, 20% w/decrease in sandstone.
6440	6500	Shale, AA, w/s/sandstone AA.
6500	6650	Shale, AA, w/s/white siltstone, calc, tite, common. Increase in black shale. Varicolored shale, common. Cavings, common, trace pyrite..

SAMPLE DESCRIPTIONS

<u>FROM</u>	<u>TO</u>	<u>DESCRIPTION</u>
6650	6770	Shale, AA, w/s/white sandstone, fine-medium grained w/sub-rounded to sub-angular grains, w/black angular chert fragments. Grains are clear to frosted. Black shale, increase to 10%.
6770	6800	Shale, AA w/increase in sandstone, AA to 30%.
6800	6830	Shale, medium gray and shale, black w/sandstone, white. fine to very fine grains, calc, 30%.
6830	6860	Sandstone, white, fine to medium grained, sub-rounded to sub-angular, friable to tite with some black and gray shale, AA.
6860	6890	Shale, light and medium gray, w/s/black shale.
6890	6920	Shale, AA, w/cavings, common (varicolored shale)
6920	6950	Sandstone, white and gray, fine to medium grained, sub-rounded to sub-angular, w/clear to frosted grains w/s/gray siltstone, and shale, medium gray, dark gray and black, siltv. coal. common.
6950	6980	Shale, medium gray to black, AA w/s/sandstone, AA.
6980	7010	Sandstone, white, fine to medium grained, S & P, 50% and shale, AA, 50%
7010	7070	Shale, medium gray, dark gray and black, w/s/sandstone AA.
7070	7100	Sandstone, white, fine grained, well sorted, w/sub-angular grains, tite w/s/gray siltstone and gray and black shale, AA, common.
7100	7130	Shale, light to dark gray, w/sandstone, AA, 15%
7130	7190	Sandstone, white, fine grained, well sorted, sub-rounded to sub-angular, w/black chert inclusions, w/s/black hydrocarbon and patchy brown oil stain, S & P shale, AA, common.
7190	7220	Sandstone, AA, w/s/white fine grained sandstone, common. Some gray fine grained well sorted sandstone w/s/porosity.
7220	7250	Sandstone, white, fine grained, well sorted w/intergranular porosity w/patchy brown oil stain. Coal, common.

SAMPLE DESCRIPTIONS

<u>FROM</u>	<u>TO</u>	
7250	7260	SS, wh. fine grain, salt and pepper, w/s interstitial porosity
7260	7290	Shale, gray to light gray, slightly calcareous, silty to sandy
7290	7300	Sandstone, wh. very fine to fine grained w/s porosity
7300	7316	Siltstone, medium gray, calcareous, tight
7316	7357	Shale, medium to dark gray, calcareous

T.D. 7357'

WELL HISTORY

- 9-27-85 Rig up Olson Rig #7
- 9-28-85 Rigging up. Test Blind Rams 2000 psi, held ok. Test Hydril to 500#, held ok. Drill at 3:00 P.M. 700'-1335'.
- 9-29-85 Drill 1335'-1781'.
- 9-30-85 Drill 1781-2150', lost circulation at 2150'. Drilled to 2188 below drilling break where circulation was lost. Mixed LCM slug. No circulation to 2188. Set plug of 200 sacks type G cement with 2% Ca Cl₂, ¼ #/SK Cello and 5#/SK Gilsonite at 2188'. Tagged cement at 2655 with bit and drilled cement, soft and hard streaks to 1718.
- 10-1-85 Set 100 Sacks plug with same composition as first plug, set at 1687'. Waited on cement 8 hours. Tried to fill hole. Did not hold. Set 50 Sacks plug of thrixolite w/ 2% Ca cl₂ at 1564'. Waited on cement 4 hours. Did not hold
- 10-2-85 Set 50 Sacks plug thrixolite at 1564'. Filled hole. Hold 1 hour. Set 50 Sacks plug thrixolite at 2:30 P.M. Let set 8½ hrs. Filled hole- held 1 minute.
- 10-3-85 Set 50 Sacks plug thrixolite at 1564. Set at 5:15 A.M. Rig up gas buster. Wait on cement 11½ hrs. Fill hole with mud and sawdust on bottom. Went in with bit and drill collars. Circulation OK. Circulated out 30 barrels black oil to pits. Drilled on cement to 11:00 P.M. Bit plugged. Came out of hole and changed jets in bit.
- 10-4-85 Trip in hole. Circulated out gas, 250 units. Drill cement with weight on bit 5000#. Full circulation. Drilled to depth of 2470'. Oil still coming in with circulation fluid
- 10-5-85 Drilled to depth of 2908. Tripped out of hole to reduce hole size from 9 7/8" to 7 7/8". Went in with Smith F-4 button bit. Rigged up gas buster. Drilled 2908-2970
- 10-6-85 Drilled 2970-3700'. Survey at 3512 showed 1°. Drilled 730' in 24 hrs.
- 10-7-85 Drilled 3700-4431, drilled 731 in 24 hrs. Drilling break 4310-22, Drilling time before break 2". Curing break 1½", after 2". Gas increased from 30 units to 180. Show stayed in 10". Sample top Wasatch 4315. Change to KCL drilling fluid @ 4246'.
- 10-8-85 Drilled 4431-4850. Drilled 419' in 24 hrs. Drilling break 4470-90, broke from 2"/ft. to ½"/ft. Gas background was 45 units, increased to 110 units.
- 10-9-85 Drilled 4850-5157. Drilled 307' in 24 hrs. Torque Converter problems at 4:00 A.M. on No. 1 Motor. Commenced drilled at 9:30 A.M. Rig down 6 ¾ hrs.

WELL HISTORY

- 10-10-85 Drilled 5157-5530. Drilled 373' in 24 hrs. Rig down 2½ hrs. Background gas is 500 units.
- 10-11-85 Drilled 5530-5607. Circulated hole for trip for new bit. Weighted drilling fluid with KCL water to 9.2# 1 gal. to hold down gas. Tripped out of hole, Worked on pumps. Went in hole with STC-F45 new bit, B.4 No. 2 STC F4 made 2495' 114 3/4 hrs and is green. Reaming to bottom. Down time work on rig 5½ hrs. Circulate gas thru gas buster.W/10' flare. Gas on unit to 4300 units , 400' off bottom.
- 10-12-85 Drilled 5607-6123. Tight connection 6009 w/20,000# drag and 10,000# at 6040' and 30,000# at 6071.
- 10-13-85 Drilled 6123-6476. Worked stuck pipe 3:00-9:15 P.M. Circulated hole and work pipe. Made short trip.
- 10-14-85 Worked stuck pipe, circulated hole, tripped 20 stands out of hole. Changed rotating head rubber, wash and ream to bottom, TD 6476. Drilled 6:30-11:00 to 6575, Drilled 99' in 24 hrs.
- 10-15-85 Drilled 6575-6899. Tripped out 2 joints on beginning of short trip. Hole bridging. Went back in hole and washed to bottom. Circulated hole and mixed mud. Drilled 6575-6899. Made 20' r. 20'.
- 10-16-85 Drilled 7066-7223, Circulated sample up and began conditioning hole. Gas increased to 7000 units. Began mixing mud. Drilled 7223-7329. Circled and conditioned gas wet frothy mud.
- 10-17-85 Drilled 7329-7334. Twisted off. Mixed bar and conditioned hole for fishing job. Weight on string indicated fish is probably 20 drill collars and 1 joint drill pipe. Total weight of string is 140,000#.
- 10-18-85 T.D. 7334. Fishing. Picked up 10 drill collars and went in hole with HTC,T-2 mill tooth bit. Wash and ream on bridge at 5650'. Raise viscosity.
- 10-19-85 T. D. 7334. Raise Viscosity to 60 sec/qt. Washed and circulated gas through gas buster. 20' flare. Raised mud weight to 9.4 to hole down gas to top of fish at 6611'. Circulated 2 hours 15' above fish. Short tripped 20 stands. Went back in to top of fish, no fill, no bridges. Tripped out and picked up overshot and jars. Ran in hole.
- 10-20-85 T.D. 7334. Fishing. Tagged fish, pulled up 15' above and circulated mud through gas buster, 20' flare, 2 hours. Latched onto fish and pulled out and jarred on fish total of 2'. Fish broke loose. Tripped out and pickup up longer overshot. Went in hole. No bridges. Circulated 2 hrs. 15' above fish. Latched onto fish and pulled and jarred.

WELL HISTORY

- 10-21-85 Finish pulling out of hole with fish. Lay down fishing tools and rental collars. Trip in hole and circulate gas.
- 10-22-85 Circulate hole and drilled from 7334 to 7359'. Circulated and tripped out for logging. Gearhart rigged up and logged with GR. Induction log, 7350'-256', GR-Comp. Neutron Fm. Density Log, 7349-244.5, Laserlog, 7330-250'. Trip in hole.
- 10-23-85 Trip in hole. Ream 10'. Circulate out gas. Fanning gas thru gas buster at est. rate 3,000 MCFGPD. Wait on order 10 3/4 hrs. Lay down drill pipe and drill collars.
- 10-24-85 Finish laying down pipe, 183 joints. Pick up and run 4 1/2", J-55, 9.5 and 10.5# with Stage Collar set at 5517.18' with bottom of casing shoe at T.D. 7355: Cement Stage one with 20 bbls. pre-flush, followed by 235 Sx. of cement with 3% A-2 mixed at 11.4#/gel. Followed with 275 Sx. of 50-50-2 cement with 10% salt and 6/10 of 1% FL-19. Pumped job at 7 BPM at 500#. Bumped plug at 1100#.
- Second stage. Pumped 7 bbls. pre-flush water followed by 620 bbls. cement, as above followed by 90 bbls. tail slurry. Pumped at 500# at 7 BPM. Displaced at 1500# and bumped plug at 3000#.
- 10-25-85 Well shut in waiting on completion rig.
- to
- 11-13-85 Waiting on rig
- 11-14-85 Cleaned drilling mud off location. Began moving tubing to location from Hiko Bell yard.
- 11-15-85 Finish cleaning location and racked 8,000' of 2 3/8" tubing for inspection.
- 11-16-85 Waiting on tubing tester
- 11-17-85 Testing tubing.
- 11-18-85 Move in Gamache Well Service rig. Rig up, go in hole with tubing with flat bottom mill to 4770 ft. Shut in overnight.
- 11-19-85 Continued going in hole with mill and scraper. Tagged fill at 5455'. Milled out cement and DV Tool. Continued going in hole and plugged back to TD 7264. Circulated hole with 2% KCL water. Pressure tested casing to 2000 lbs. Held OK. Started out of hole with tools and shut in overnight.

WELL HISTORY

11-20-85

Finish pulling out of hole with tubing and tools, MI & RU Go Wireline Service. Ran cement bond log 7280-940', with GR and Collar locators. Interval 7190-7200 showed 70-80% bonding. Interval 7080-90 showed 80% bonding and interval 80-36-52 showed 80% bonding. PHO with logging tool. RIH with 3 1/8" casing gun. Perf. with 2 shots/ft. intervals. 7190-7200, 7080-91, 7036-52 no immed. pressure RIH with production string consisting of 1 notched collar, 1 joint 23/8", J-55 tubing, seating nipple, 217 joints 2 3/8" J-55 tubing and one 10" blast joint. Removed BOP's, well flowing back KCL water. Installed 3000# 6" tree. Moved in and rigged up Dowell. Broke down parts w/48 bbls. 2% KCL water with additives. Dropped 149 ball sealers for division. Displaced with 26 bbls. KCL water at an average rate of 4 1/2 BPM. Average injection pressure 3800# USU pressure 3000". After 10"-2600#. Surged balls off perfs. wait 25'. Fraced well down tubing and casing as follows:

- (1) 5,000 gallons YF-140 gelled KCL wtr, half and half.
- (2) 3,000 gallons with 1#/gallon of 20-40 sand
- (3) 3,000 gallons with 2#/gallon of 20-40 sand
- (4) 4,000 gallons with 3#/gallon of 20-40sand

Well screened off when 3#/gallon sand hit perfs. Average inj. pressure was 3200#, incr. to 3750# in 15". Total fluid to recover = 500 -bls. Shut well in overnight.

11-21-85

Worked pipe to get stands out of hole. Worked pipe back to bottom. Washed sand and cleaned up well. Overnight shut-in pressure is 2800# on tubing and 2000# on casing. Opened well to pit. Flowed 15-20 minutes. Well died. Rigged up to swab, made 5 runs, pulled from 1500 to 2100 ft. Fluid level stable at 950 ft. Swab cups hung up on 6th run. Tried to jar cup loose but pulled out of rope socket. Started pulling well out of casing at 4:00 P.M. Well started making sand at 11:00 P.M. Continued to pull well through casing the rest of the night with very little sand returns.

- Nov. 22, 1985 Rigged up to fish out swab cups; made several attempts with no results. Removed tree and installed BOP's. Pulled out of hole with tubing to 6100' and recovered swab cups. Established circulation and started cleaning out sand and shut in overnight.
- Nov. 23, 1985 Finished cleaning out sand to pressure minus 7250. Pulled out of hole with tubing to 6950'. Removed BOP's and installed tree. Swabbed well in and started cleaning up.
- Nov. 24, 1985 Cleaned up well.
- Nov. 25, 1985 Testing well
- Nov. 26, 1985 Rigging up testing unit for 24 hour production test.
- Dec. 2, 1985 Tubing Pressure: 2800#
Casing: 2850#
Put thru test unit, well was water logged.
- Dec. 3, 1985 Cleaning Up Well
Shut in overnight for press build-up
- Dec. 4, 1985 Tubing Pressure: 1600#
Casing: 1450#
Cleaning up well.
- Dec. 5, 1985 Well shut in for pressure build-up.
- Dec. 6, 1985 Well shut in
Tubing Pressure: 2200#
Casing: 1950#
Started thru test unit at noon. Well stayed on for one hour flowing at 1.5 MCF, pressure dropped to 150#. Shut well in overnight.
- Dec. 7, 1985 ONSIP tubing 950, casing 1050. Open well to pit to clean up. Left well open overnight. Flowing at 200 MCF with 0 tubing pressure and 100 casing pressure.
- Dec. 8, 1985 Still flowing to pit making 200 MCF gas with 0 tubing and 250 casing pressure. Shut well in at 5:P.M. for build up.
- Dec. 9, 1985 Tubing pressure 1400, casing 1250. Open well to pit on 14/64 choke. Recovered approximately 5 bbls. water and pressure dropped to 50# on tubing and 200 MCF. Rigged up the swab. Pulled first run from seat nipple at 6940. No fluid entry noted. Run in hole with sinker bars on sand line and tagged fill at 7160. Bottom perfs covered up. Continued swabbing with no fluid entry noted. Recovered some black and yellow crude from well. Fluid is in emulsion form. Shut in overnight.

WELL HISTORY

11-29 (6)

- Dec. 10, 1985 Tubing pressure 1150, casing 950. Continued swabbing on well. Fluid recovered still seems to be in an emulsion stage. Will have lab analysis today. Shut in overnight.
- Dec. 11, 1985 Tubing pressure 1400, casing 1250. Lab results indicate an emulsion block in well. Open well to pit and recovered approximately 5 bbls. of oil and water. Moved in and rigged up Gibson Well Service. Will go in and individually test each zone. Left well open to pit overnight making 500 MCF with 100# tubing pressure and 200 # casing pressure.
- Dec. 12, 1985 Tubing pressure 0, casing 500. Open well to pit and bled off pressure. Hooked up pump and circulated with 2% KCL water. Removed Xmas tree and installed 6", 3000 BOP's. Picked up additional tubing and run in hole to + or - 7280 and circulated hole clean. Pulled out of hole with tubing. Picked up bridge plug and packer and run in hole to 2500 ft. Shut in overnight.
- Dec. 13, 1985 Overnight shut in pressure, tubing 200, casing 300. Bled pressure off well. Finished running in hole with tools. Set bridge plug at 7250 and packer at 7150. Treated perforations from 7190 to 7200 as follows:
- (1) Pumped 2000 gals. of 7 1/2% MSR Acid with 4 gals per 1000 of A-200 inhibitor and 2 gals. pr 1000 of W-27 non-emulsifying agent. Average pressure was 2500 lbs. average rate 2 bbls. pr minute. ISIP at 2400 lbs. in 15 minutes, 2300 lbs. Total fluid recovered, 75 bbls. Open well to pit. Flowed from 3 hrs and died, recovered approximately 20 bbls. Left well open to pit all night.
- Dec. 14, 1985 Overnight shut in pressure 0 tubing. Rigged up to swab and swabbed well down. Pulled swab from seat nipple at 7120, waiting one hour with no fluid entry into well. Recovered approximately 40 bbls. of treat fluid. Released packer and run in hole and picked up bridge plug. Moved hole and set bridge plug at 7150 and packer at 7065. Isolated perforations 7080 to 7091. Rigged up to swab and swabbed well in on 3rd run. Cleaned up zone for 1 hr and shut in overnight. Will treat zone on Monday.
- Dec. 15, 1985 Shut in for Sunday
- Dec. 16, 1985 Tubing 2000, casing 1100. Moved in and rigged up Dowell. Pressure test lines to 5000. Pumped 2000 gal. of MSR Acid into zone from 7080 to 91. Packer started leaking during job. Average pressure 2150, average rate 2 1/2 bbls. pr minute. ISIP was 2100 lbs, 5 minutes, 1600 10 minutes 1500 15 minutes, 1400. Open well to pit and recovered 28 bbls. of flush water. Well flowed for 20 minutes and died. Rigged up swab and made 16 runs with fluid level staying between 3900 and 5000 ft. Recovered approximately 83 bbls. of treat fluid. Also recovered what appeared to be drilling mud and silt. Shut well in for the night.

- Dec. 17, 1985 Overnight shut in pressure, tubing 500, casing 1000. Bled pressure off, released packer at 7065 ft. and pulled up hole and reset at 7020. Pressure test packer to 2000 lbs. held ok. Swabbed well down to seat nipple at 7000 ft. Recovered approx. 20 bbls. of murky water. Shut in overnight.
- Dec. 18, 1985 Tubing 1850, casing 150. Moved in and rigged up Dowell. Pressure test casing to 1500 and held. Treated well as follows: pumped 3000 gas. of MSR clean up acid with 2000 gals. per 1000 of A-200 inhibitor and 2 gal. per 1000 of W-27 non emulsifying agent. Pumped 500 SCF of nitrogen per bbl. Dropped 90 ball sealers for diversion. Flushed with 30,000 SCF of nitrogen. Average pressure was 3500, average rate $4\frac{1}{2}$ bbls. per minute. Maximum pressure 4300 lbs., instant shut in 3100 lbs. 5, 10 and 15 minutes, pressure 2900 lbs. Open well to pit to clean up. Well flowed for 45 minutes and died. Started swabbing, swabbed well down to seat nipple at 7000 ft. Recovered approx. 50 bbls., of treat fluid. Still + or - 22 bbls to recover. Shut in overnight.
- Dec. 19, 1985 Overnight shut in pressure, tubing 1350. Open well to pit, well flowed 30 minutes and unloaded 10 bbls. of condensate and water with 7 to 10% oil cut. Swabbed well 8 hrs., pulled in from seat nipple at 7000 ft. Recovered approx. 40 bbls. of fluid with 8 to 10% oil cut. Well flowed at 100 MCF gas with out tubing pressure. All treat fluid recovered. Left well open to pit all night.
- Dec. 20, 1985 Overnight shut in pressure, tubing 1100, casing 650. Run in hole to 3800 ft. and latched bridge plug. Pulled out of hole with bridge plug, started in hole with production string, well blew in. Circulated hole with 2% KCL, finished going in hole with production string as follows: 1 notched collar, 1 joint 2 3/8" tubing, 1 10 ft. blast joint. Recovered BOP's and installed 6" x 3000 lbs xmas tree. Swabbed well down to seat nipple and shut in overnight.
- Dec. 22, 1985 Rigged down work over rig, left well shut in for PSI build up.
- Dec. 26, 1985 Tubing pressure 2275#, casing pressure 2100#. Opened well on 12/64 choke at 2:15 PM, 15" flow, tubing pressure 1100, casing pressure 1800, 20" total flow time. TP 1000# CP 1800#. At 2:45 PM oil surfaced, frac water at 2:46 PM with TP 700#, CP 1300#. At 2:50 PM, tubing pressure increased to 900# and CP at 1000#. At 3:12 TP 400# and CP 650#. Opened choke to 1" at 3:12. TP 100 and CP 300 at 3:20 PM. At 3:21 choked well to 12/64. TP 200# and CP 400#. At 3:30 well stabilized at 200# TP and 350# CP. Shut well in at 4:00 PM.

WELL HISTORY

11-29 (8)

- Dec. 27, 1985 At 3:20 PM well had 2000# TP and 1850CP, after 24 hrs. shut in. After 15" of flow TP was 950# with 1600# on casing pressure of 1200# and stabilized. Shut well in at 4:05 PM. TP at 1300# 5" after shut in.
- Dec. 29, 1985 48 hrs. shut in, TP was 2300# and CP 2300#. Opened well on 10/64" choke. Flowed nitrogen until 2:40 PM. at 1250# on 24/64" choke. Flowed oil for 5" gas at 2:50 PM. Well stabilized flowing gas at 800# TP on 12/64" choke. Shut well in at 3:30 PM to 40" flow period after well had stabilized.
- Jan. 1, 1986 2:30 P.M. Tubing Pressure 2400#, Casing Pressure 2300# Flow line valve frozen.
- Jan 3, 1986 TP 2300#, CP 2400#. Flowed well at 2000# on 19/64 choke at rate of 4,200,000 cubic feet gas/day.
- Jan 4, 1986 Well still flowing and flaring gas. Choke iced up. TP 1850#, CP 2400#. Opened choke and well unloaded oil, then set choke at 11/64 and left open. Volume was 1,210,000 cubic ft. per day.
- Jan 5, 1986 Well flowing gas and flaring gas on 11/64 choke. Choke was iced up with 1" ice on outside. TP 1850# CP 2400#. Well flow stabilized at 1,400,000 cubic ft. gas per day.
- Jan 6, 1986 Well left overnight flowing with well on 13/64 choke. At 1:30 PM well was flowing with TP at 1500# and CP at 2300#. Flare was out. Rel flare and opened choke to 26/64 to unload. Well unloaded oil for 5" and then flowed nitrogen and gas. TP dropped to 800# Choked well to 15/64 and TP increased immediately to 1500#, opened choke to 26/64 and well unloaded more nitrogen and pressure decreased to 800#. Choke was increased to 15/64 th's and pressure increased to 1000# and was still building at 4:00 PM with CP at 1100#. Flow rate on this choke was 1,450,000 cubic ft. gas per day. Left well open overnight.
- Jan 7, 1986 TP 1400, CP 2400, gas flowing but flare was out. (1,845,000 Cu.Ft.) Open choke to 20/64 increased oil flow substantially. Flowed well on 17/64 choke then opened to 27/64 and nitrogen flowed through gas with pressure decreasing to 800#. Pressure built to 1200# Left open & pressure decreased to 500#. (2,136,000) Made more NO₂ then built to 650#, let flow. (2,777,000) Shut well in with choke at 17/64 and pressure built to 800#.
- Jan. 18, 1986 Ran 24 hr. production test thru separator . 1:30 A.M. to 1:30 P.M.
- Jan. 19, 1986 Avg. flow 1.7 million cu. ft. gas & 20 BOPD (60 gravity) with TP 1200#, CP 1300# thru 16/64 choke. Well shut in waiting for pipeline connection and installation of permanent surface facilities.

Final Report,

January 24, 1986


Robert E. Covington, CPGS #1705

RESUME OF WELL TEST

Well 11-29, DIRTY DEVIL UNIT

Sec. 29, T9S-R24E, S1M

Uintah Co., Utah

<u>Date</u>	<u>Volume (CFGPD)</u>	<u>Choke</u>	<u>Tubing Pressure (lbs)</u>	<u>Notes</u>
12-26-85	506,000	12/64	600	Shut well in 4:00 P.M.
12-30-85	567,000	11/64	800	Shut well in 4:00 P.M.
1-1-86	-0-	-0-	2300	CP 2300# Valve iced up.
1-3-86	1,027,000	11/64	1450	Well open 24 hrs.
1-4-86	1,310,000	11/64	1850	Well open 24 hrs.
1-5-86	1,482,000	13/64	1500	
1-6-86	1,485,000	13/64	1500	Unloaded No ₂ and oil
1-7-86	1,845,000	15/64	1400	Unloaded oil 15". Shut well in at 4:00 P.M.
1-13-86	1,600,000	14/64	1400	Gas w/distillate. Unloaded oil 20". TP after being shut in for 6 days was 2575# and CP 2575#.
1-17-86	Ran 24 hr. test thru separator on 16/64" choke, well flowed 1,750,000 cu. ft. w/1200# TP, 1300# CP, plus 20 BOPD, 60° gravity.			
1-20-86	Flowed 1,750,000 cu. ft. at 100# pressure, stabilized.			
1-21-86	Cleaning out well w/1 hr. flow test			
1-22-86	Cleaning out well, 1 hr. flow test. Well shut in, waiting on pipeline.			

W E L L P R O G N O S I S
=====

OPERATOR: HIKO BELL MINING & OIL COMPANY

WELL NAME: DIRTY DEVIL 11-29

LOCATION: NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC.29, T9S-R24E, SLM
(815 FWL & 505 FNL)

ELEVATION:

DEPTH, PROPOSED: 7,650'

HOLE SIZE: 17 $\frac{1}{2}$ ' to 300'; 12 $\frac{1}{4}$ 300-3,600'
8 3/4" 3,600-7,65-'.

CASING PROGRAM: 13 3/8", J-55, 54.50# (ID 12.615")
9 5/8", surf. to 3,600', J-55, 36#
5 $\frac{1}{2}$ ", N-80, 20 & 23#, surf. to 7,650'

CEMENTING PROGRAM: Cement 13 3/8" to surface.
Cement 9 5/8" to surface.
Cement 5 $\frac{1}{2}$ " to 4,000'.

FORMATION TOPS: Uinta fm. Surface
Green River fm. 1,480'
Wasatch fm. 4,000'
Mesaverde fm. 6,130

LOGGING PROGRAM: Dual Induction w/Gamma Ray, 300' to T.D.
Gamma Ray-FDC w/caliper, 300' to T.D.
Cyberlook, 3,600' to T.D.

ANTICIPATED HAZARD: No abnormal pressures or temperatures
or H₂S is anticipated.

MUD LOGGING: 2 Man mud logging unit w/chromatograph.

OPERATOR'S ADDRESS: P.O. Drawer AB, Vernal, Utah, 84078
Suite 21, Zion's First Natl. Bank Bldg.
3 West Main St., Phone: 801-789-3233.

GEOLOGIST: Robert E. Covington, CPGS #1705
Phone: 801-789-3233 or 789-5026.

ENGINEER: Craig Caldwell, Phone: 789-3233 or 5026.

ANTICIPATED SPUD DATE: 4-1-85.

ANTICIPATED COMPL." 5-1-85.

OBJECTIVE ZONES: Neslin facies of Mesaverde 7150-7,650'.

SECONDARY OBJECTIVE: Lower Wasatch sands, 4,450' to 4,650'.
Mesaverde, Farrer facies, 6,750-6,950'.

DRILLING FLUIDS: Fresh water to 3,600'; Kcl, 3600-T.D.

NOTICE OF STAKING
(Not to be used in place of
Application to Drill Form 9-331 - C)

5. Lease Number:

ML-22161

1. Oil Well ☐ Gas Well ☒ Other

6. If Indian, Allottee or Tribe Name

2. Name of Operator

HIKO BELL

7. Unit Agreement Name

DIRTY DEVIL

3. Address of Operator or Agent

P.O. Drawer AB Vernal, Ut. 84078

8. Farm or Lease Name

4. Surface Location of Well
(Governmental 1/4 or 1/4 1/4)

NW 1/4 NW 1/4

9. Well No.

11-29

Attach: Topographical or other acceptable map
showing location, access road and lease boundaries.

10. Field or Wildcat Name

Wildcat

14. Formation Objective(s)

MESAVERDE

15. Estimated Well Depth

7659'

11. Sec., T., R., M., or
Blk and Survey or Area

Section 29, T9S, R24E, S.L.B. & M.

12. County or Parish

Uintah

13. State

Utah

16. To Be Completed by Operator Prior to Onsite

a. Location must staked

b. Access Road Flagged

c. Sketch and/or map of location, showing road, pad dimensions, reserve pit, cuts, and fills
(To be provided at onsite)

17. To Be Considered By Operators Prior to Onsite

a. H₂S Potential

b. Private Surface Ownership

c. Cultural Resources (Archaeology)

d. Federal Right of Way

18. Additional Information

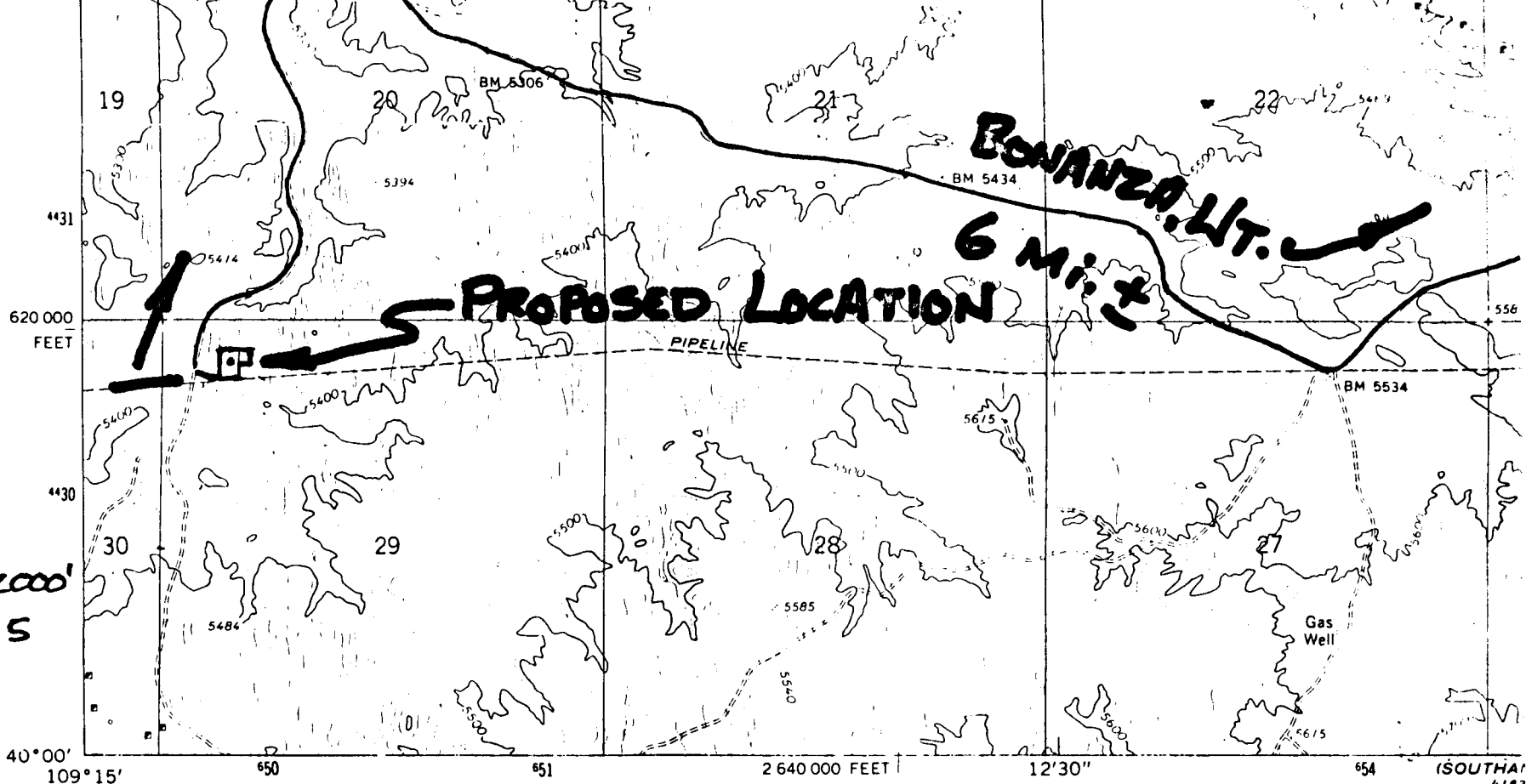
19. Signed

Jane Stewart

Title

Consultant

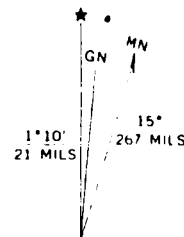
Date 4/10/85



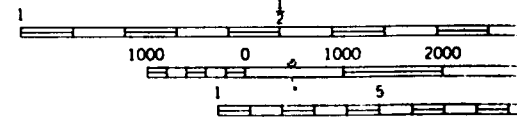
SCALE: 1" = 2000'
DATE: 4/9/85

(ASPHALT WASH)
4163 IV NE

Mapped, edited, and published by the Geological Survey
Control by USGS and USC&GS
Topography by photogrammetric methods from aerial
photographs taken 1965. Field checked 1968
Polyconic projection. 1927 North American datum
10,000-foot grid based on Utah coordinate system, central zone
1000-meter Universal Transverse Mercator grid ticks,
zone 12, shown in blue



UTM GRID AND 1968 MAGNETIC NORTH
DECLINATION AT CENTER OF SHEET

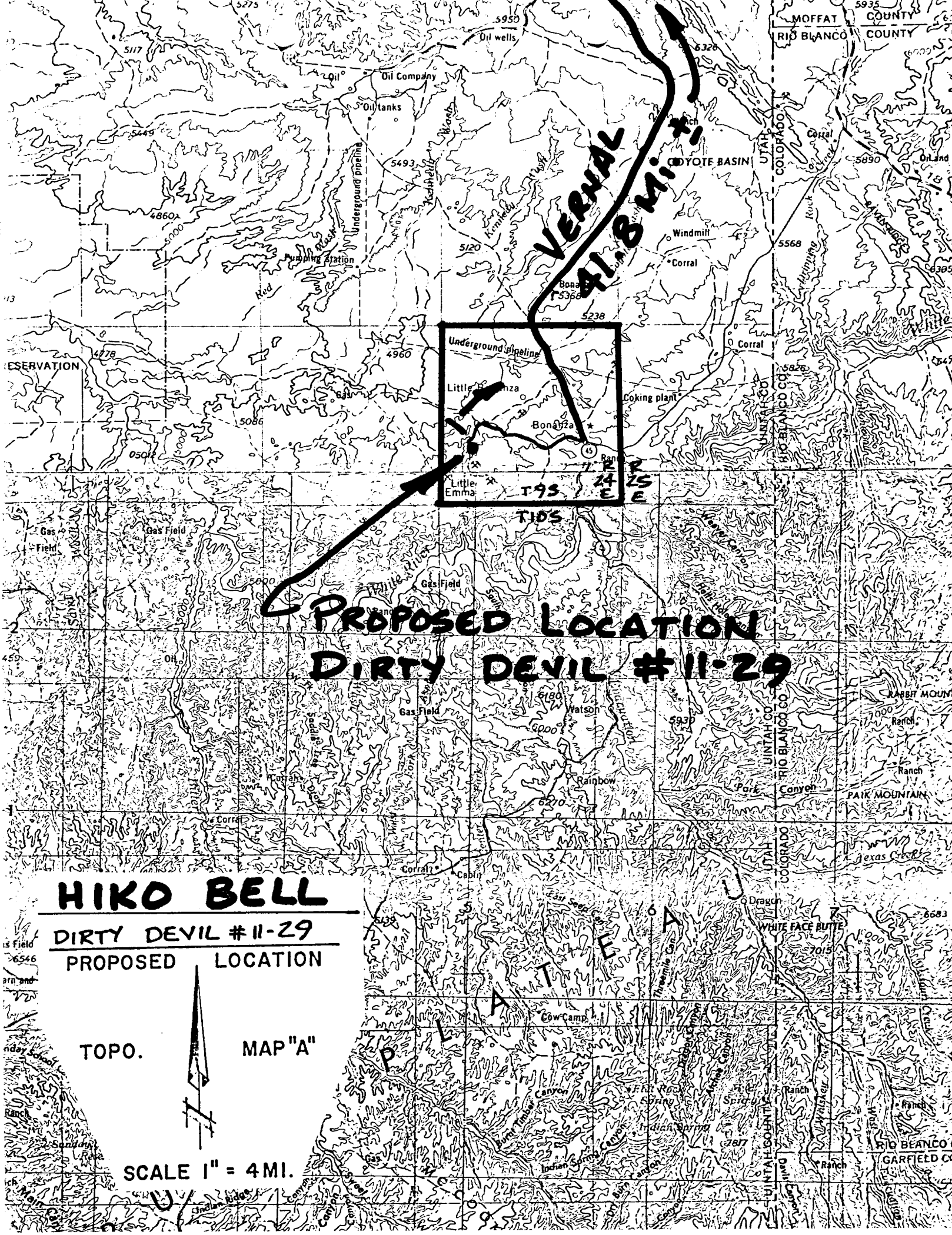


CONTOUR IN
DATUM IS

HIKO BELL

DIRTY DEVIL 11-29
SEC. 29, T9S, R24E

THIS MAP COMPLIES WITH NA
FOR SALE BY U.S. GEOLOGICAL SURVEY, DENV
A FOLDER DESCRIBING TOPOGRAPHIC MA



HIKO BELL

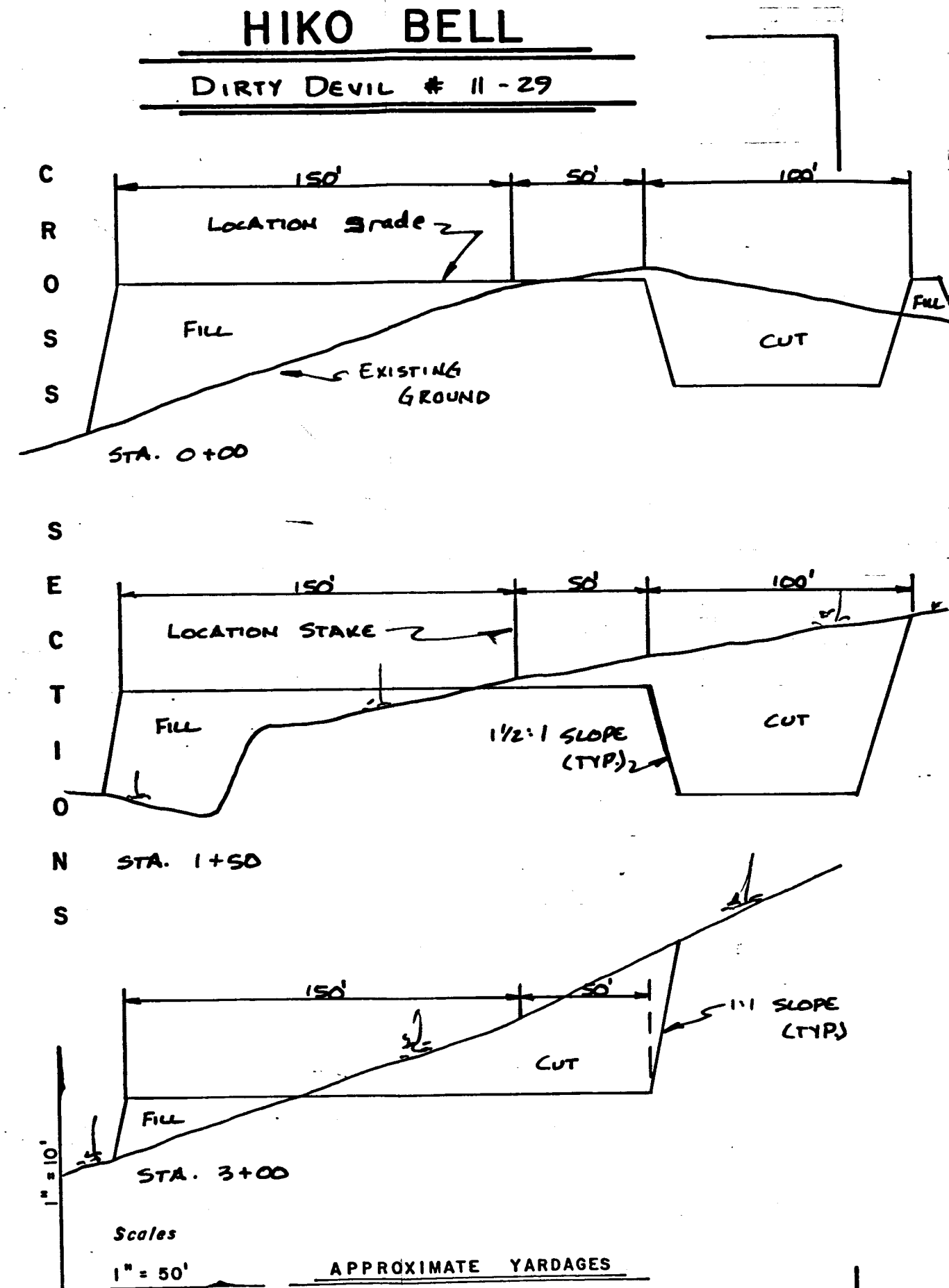
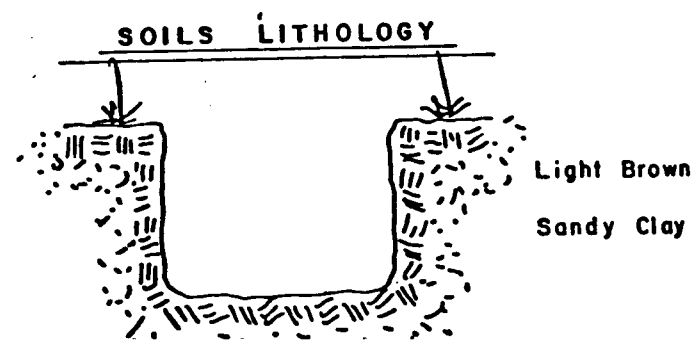
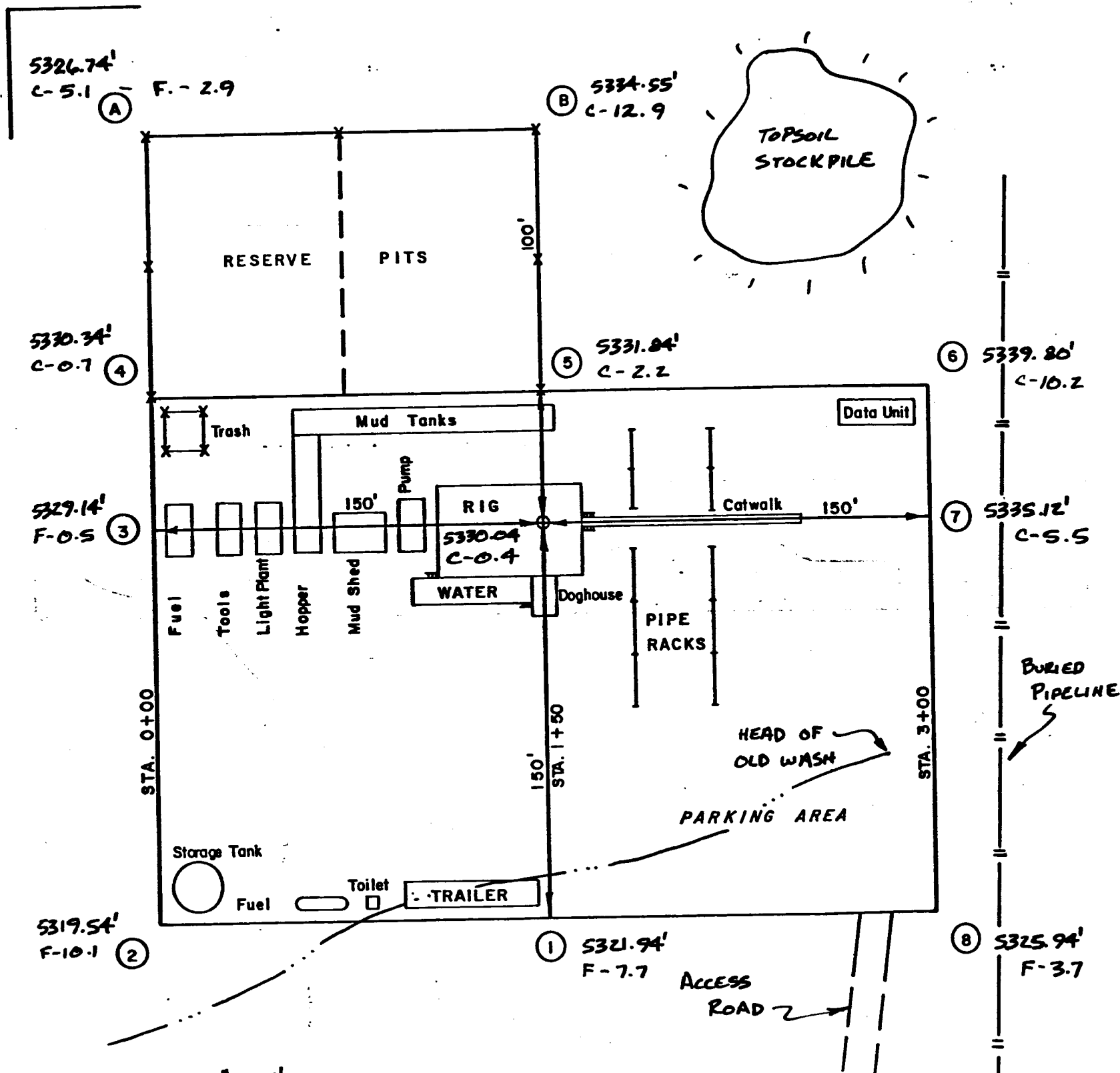
DIRTY DEVIL #11-29

PROPOSED LOCATION

TOPO.

MAP "A"

SCALE 1" = 4 MI.



Cu. Yds. Cut - 7865

Cu. Yds. Fill - 5885

HIKO BELL

DIRTY DEVIL #11-29
PROPOSED LOCATION

T 8 S

T 9 S

TOPO.

MAP "B"

SCALE 1" = 2000'

ROAD CLASSIFICATION

Light duty road, all weather, improved surface
Unimproved road, all weather

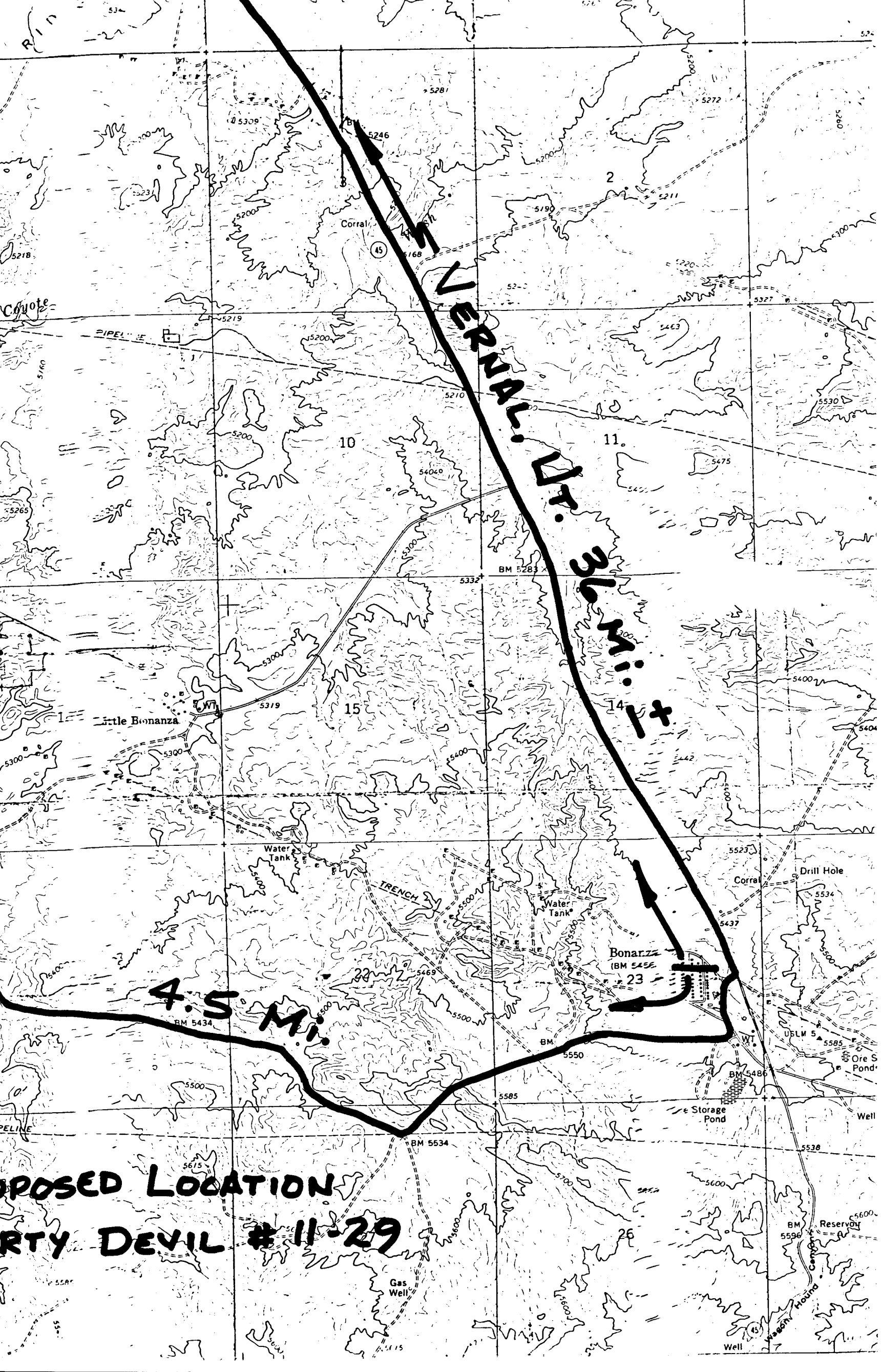
UTAH

QUADRANGLE LOCATION

R 23 E
R 24 E

1.2 Mi.

PROPOSED ACCESS
ROAD - 300' ±



GENERAL 17.36 mi. 14.14

4.5 Mi.

PROPOSED LOCATION
PROPERTY DEVIL #11-29

COPY

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Hiko Bell Mining & Oil Company
of P.O. Drawer AB, Vernal, UT 84078 Address _____
as principal and THE TRAVELERS INDEMNITY COMPANY, as
surety, are held and firmly bound unto the State of Utah in the sum of Twenty five thousand no/100
Dollars (\$ 25,000.00*) lawful money of the United States to be paid to the Board of
State Lands and Forestry, as agent for the State of Utah, for the use and benefit of the
State of Utah, and of any patentee or purchaser of any portion of the land covered by
the hereinafter described lease heretofore sold or which may hereafter be sold with a
reservation to the State of Utah, on the surface or of other mineral deposits of any
portion of such lands, for which payment, will and truly to be made, we bind ourselves,
and each of us, and each of our heirs, executors, administrators, successors, sub-
lessees, and assignees, jointly and severally by these presents.

Signed with our hands and seals this 24th day of April in the
year of our Lord, 1985.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) _____
lease, Lease Number _____ and dated _____, to _____
as lessee (and said lease has been duly
assigned under date of _____ to _____
_____) to drill for, mine, extract, and remove all of the _____
deposits in and under the following described lands to wit:

STATEWIDE

NOW, THEREFORE, THE principal shall be obligated to pay all monies, rentals,
royalties, cost of reclamation, damages to the surface and improvements thereon and any
other costs which arise by operation of the above described lease(s) accruing to the
Lessor and shall fully comply with all other terms and conditions of said lease, the
rules, regulations, and policies relating thereto of the Board of State Lands and
Forestry, Division of State Lands and Forestry, the Board of Oil, Gas and Mining, and
the Division of Oil, Gas and Mining as they may now exist or may from time to time be
modified or amended. This obligation is in effect even if the principal has conveyed
part of the purchase agreement interest to a successor in interest. If the principal
fully satisfies the above described obligations, then the surety's obligation to make
payment to the State of Utah is void and of no effect, otherwise, it shall remain in
full force and effect until released by the Division of State Lands and Forestry.

Signed, sealed and delivered
in the presence of:

Robert E. Barnum
Witness

Jan Campbell
Witness

HIKO BELL MINING & OIL COMPANY
BY: [Signature] (SEAL)
Principal
BONDING COMPANY THE TRAVELERS INDEMNITY COMPANY
BY: Susan M. Perry
Susan M. Perry, Atty.-in-Fact

Attest: _____

APPROVED AS TO FORM:
DAVID L. WILKINSON
ATTORNEY GENERAL

Resident Agent: Not required

Bonding Co. Address: P.O. Box 5980, Denver, CO 80217-5980

[Signature]
Corporate Seal of Bonding Company Must be Affixed.

The Travelers Indemnity Company

Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

____ Andrew Collins, Rebecca K. Payton, Susan M. Perry, Larry Richardson, Thomas J. Roberts, all of Englewood, Colorado, EACH _____

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

____ Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof _____

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 14. The Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Corporate Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 16. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by the Corporate Secretary or any Department Secretary or any Assistant Corporate Secretary or any Assistant Department Secretary, or shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent, pursuant to and within the limits of the authority granted by his or her power of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

____ This power of attorney revokes that dated March 27, 1984 on behalf of Rebecca K. Amann, Andred Collins, Stephen T. Pate, Susan M. Perry, Larry Richardson, Robert West _____

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 1st day of October 19 84

THE TRAVELERS INDEMNITY COMPANY

By

D. L. Banta

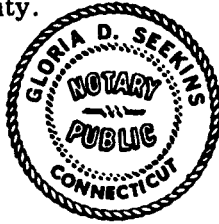
Secretary, Surety

(Over)



State of Connecticut, County of Hartford—ss:

On this 1st day of October in the year 1984 before me personally came D. L. Banta to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



Gloria D. Seekins

Notary Public

My commission expires April 1, 1988

CERTIFICATION

I, Paul D. Tubach, Assistant Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, certify that the foregoing power of attorney, the above quoted Sections 14. and 16. of Article IV of the By-Laws and the Resolution of the Board of Directors of November 30, 1959 have not been abridged or revoked and are now in full force and effect.

Signed and Sealed at Hartford, Connecticut, this

24th day of April 19 85



Paul D. Tubach

Assistant Secretary, Surety

OPERATOR Hiko Bell Mining & Oil DATE 4-17-85
WELL NAME Dirty Devil Unit 11-29
SEC NW NW 29 T 9S R 24E COUNTY Uintah

43-047-31619
API NUMBER

State
TYPE OF LEASE

CHECK OFF:

☒ PLAT

☐ BOND

☐ NEAREST WELL

☒ LEASE

☐ FIELD

☐ POTASH OR
OIL SHALE

PROCESSING COMMENTS:

Unit well - no obligation well for unit.

Need water permit

D.O. from Pacific Gas Transmission / Ensearch Exploration ^{Rec: 4/25/85}

APPROVAL LETTER:

SPACING: ☒ A-3 Dirty Devil
UNIT

☐ c-3-a CAUSE NO. & DATE

☐ c-3-b

☐ c-3-c

STIPULATIONS:

1 - BOP - 3000 psi - 9 5/8" csg.

2 D.O. from Pacific Gas Transmission - Rec 4-29-85

**ENSERCH
EXPLORATION** INC.

1817 Wood Street
Dallas, Texas 75201
214-748-1110

Mailing Address

P.O. Box 2649
Dallas, Texas 75221

RECEIVED

APR 25 1985

DIVISION OF OIL
GAS & MINING

April 24, 1985

State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Designation of Operator
to Hiko Bell Mining & Oil
Company
White River Prospect
Uintah County, Utah
EE-UTAH-ML-#241
EE-UTAH-MC-#38
Dirty Devil Unit Well #1129

Gentlemen:

Enclosed is a Designation of Operator form dated April 24, 1985, whereby Enserch Exploration, Inc. designates Hiko Bell Mining & Oil Company as Operator of State of Utah Lease #22161. Hiko Bell is to spud its Dirty Devil Unit Well #1129 in the NW/4 NW/4 of Section 29, T-9-S, R-24-E, Uintah County, Utah on or before May 1, 1985.

Very truly yours,

Wendell Westfall
Wendell Westfall

MCC:dr

Enclosures

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Department of Natural Resources, Division of State Lands, holder of lease, ML #22161 :

and hereby designates

NAME: Hiko Bell Mining & Oil Company
ADDRESS: P. O. Box AB
Vernal, Utah 84078

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Division of State Lands or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township 9 South, Range 24 East, S.L.M.
Section 29: All
Uintah County, Utah
Containing 640 acres, more or less.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Division of State Lands or his representative.

The lessee agrees promptly to notify the Division of State Lands of any change in the designated operator.

ENSERCH EXPLORATION, INC.

By 

(Signature of Lessee)

G. R. BRYAN, ATTORNEY-IN-FACT

April 24, 1985

(Date)

1817 Wood St., Dallas, TX 75201

(Address)

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Department of Natural Resources, Division of State Lands, holder of lease, ML 22161 :

and hereby designates

NAME: Hiko Bell Mining & Oil Company
ADDRESS: P.O. Drawer AB
3 West Main Building
Vernal, Utah 84078

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Division of State Lands or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township 9 South, Range 24 East, SLM

Section 29: All

Containing 640.00 acres m/l

Uintah County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Division of State Lands or his representative.

The lessee agrees promptly to notify the Division of State Lands of any change in the designated operator.

PACIFIC TRANSMISSION SUPPLY COMPANY



(Signature of Lessee)

H. G. Culp, Vice President

245 Market Street

San Francisco, CA 94105

(Address)

April 11, 1985

(Date)



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 26, 1985

Hiko Bell Mining & Oil Company
P. O. Drawer AB
Vernal, Utah 84078

Gentlemen:

Re: Well No. Dirty Devil Unit 11-29 - NW NW 29, T. 9S, R. 24E
505' FNL, 815' FWL - Uintah County, Utah

Approval to drill the above referenced gas well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule A-3, General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

1. Blowout prevention equipment with a minimum of 3000 psi working pressure should be used after drilling out of 9 5/8" casing.
2. Receipt of a Designation of Operator from Pacific Gas Transmission.

In addition, the following actions are necessary to fully comply with this approval:


1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.

Page 2
Hiko Bell Mining & Oil Company
Well No. Dirty Devil Unit 11-29
April 26, 1985

4. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-316~~26~~⁴⁷.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza". The signature is written in dark ink and is positioned above the printed name and title.

John R. Baza
Petroleum Engineer

as
Enclosures
cc: Branch of Fluid Minerals
State Lands

DIVISION OF OIL, GAS AND MINING

SPODDING INFORMATION

API #43-047-31617

NAME OF COMPANY: HIKO BELL MINING & OIL COMPANYWELL NAME: DIRTY DEVIL 11-29SECTION NW NW 29 TOWNSHIP 9S RANGE 24E COUNTY UintahDRILLING CONTRACTOR Leon RossRIG # SPUDDED: DATE 4-30-85TIME 9:00 PMHOW Dry Hole DiggerDRILLING WILL COMMENCE 5-15-85 - Olsen Rig #2REPORTED BY BUD COVINGTONTELEPHONE # 789-3233DATE 5-1-85 SIGNED AS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-6
(November 1983)
(Formerly 9-329)

MONTHLY REPORT
OF
OPERATIONS

Lease No. ML-22161
Communitization Agreement No. _____
Field Name DIRTY DEVIL
Unit Name DIRTY DEVIL
Participating Area W $\frac{1}{2}$ Sec. 29
County UINTAH State UTAH
Operator HIKO BELL MINING & OIL COMPANY
☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of APRIL, 19 85

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
11-29	NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 29	9S	24E	DRG	--	--	--	--	Spud. 4-29-85

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLs)	Gas (MCF)	Water (BBLs)
*On hand, Start of Month	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Produced	--	--	XXXXXXXXXXXXXXXXXX
*Sold	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Spilled or Lost	XXXXXXXXXXXXXXXXXX	--	XXXXXXXXXXXXXXXXXX
*Flared or Vented	--	--	XXXXXXXXXXXXXXXXXX
*Used on Lease	--	---	--
*Injected	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	--
*Surface Pits	--	--	--
*Other (Identify)	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*On hand, End of Month	--	--	XXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content			
Authorized Signature: <u>[Signature]</u>	Address: <u>P.O. Drawer AB, Vernal, Ut. 84078</u>		
Title: <u>Sec. -Treas.</u>	Page <u>1</u> of <u>1</u>		

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
 Use "APPLICATION FOR PERMIT—" for such proposals.)

1. <input checked="" type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. ML-22161
2. NAME OF OPERATOR HIKO BELL MINING & OIL COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. DRAWER AB, VERNAL, UTAH, 84078		7. UNIT AGREEMENT NAME DIRTY DEVIL
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC.29 (815 FWL & 505 FNL)		8. FARM OR LEASE NAME
14. PERMIT NO. 43-047-31617		9. WELL NO. 11-29
15. ELEVATIONS (Show whether OF, RT, GR, etc.) 5330.4 GL		10. FIELD AND POOL, OR WILDCAT BONANZA
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		11. SEC., T., R., M., OR S.E. AND SURVEY OR AREA Sec.29, T9S-R24E SLM
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *		12. COUNTY OR PARISH 13. STATE UTAH UTAH

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

Operator proposes to change hole and casing size as follows:

- (1) Plan to drill 14 3/4" hole to 250' and set 250' of 10 3/4", J-55, 40.5# casing and cement, circulating to surface.
- (2) Plan to drill 8 3/4" hole to 5500' and set 5,500' of 7 5/8" intermediate string. J-55, 26.40# casing and cement with 869 sx. Class "G" cement.
- (3) Plan to drill 6 1/4" hole from 5500' to T.D. of 7,650' and if completion is warranted, plan to set 5" liner from 5500' to T.D. and cement.
- (4) Maximum anticipated bottom hole pressure is 2,200 psi.
- (5) Plan to use fresh water to 4,000' and brine water as circulating medium from 4,000' to T.D.
- (6) Well was spudded on 4-29-85 with dry hole spudder. Plan to move rotary tools on location when surface casing has been set and cemented.

**APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING**

DATE: 5/8/85

BY: John R. Dwyer

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE

DATE

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Form 3160-6
(November 1983)
(Formerly 9-329)

**MONTHLY REPORT
OF
OPERATIONS**

Form approved - Budget No. 1004-0138 Expires August 31, 1985

Lease No. ML-22161
Communitization Agreement No. _____
Field Name DIRTY DEVIL
Unit Name DIRTY DEVIL
Participating Area W $\frac{1}{2}$ Sec. 29, T9S-R24E, SLM
County UINTAH State UTAH
Operator HIKO BELL MINING & OIL COMPANY

☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of MAY, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No	Sec & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
11-29	NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 29	9S	24E	DRG	--	--	--	--	On April 30th 14 3/4" hole was drilled to 60'. Drilled 14 3/4" hole from 60 to 250' and set 250' 10 3/4", J-5 40.50# casing & cemented with 215 sx Class cement with 2% CaCl & 1/4 1 per sx cello-flake & circ. to surface. Good returns. On 5-8-85 WOR

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Produced	--	--	--
*Sold	--	--	XXXXXXXXXXXXXXXXXX
*Spilled or Lost	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXXXX	--	XXXXXXXXXXXXXXXXXX
*Used on Lease	--	--	XXXXXXXXXXXXXXXXXX
*Injected	--	--	--
*Surface Pits	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	--
*Other (Identify)	--	--	--
*On hand, End of Month	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content	--	--	XXXXXXXXXXXXXXXXXX

Authorized Signature: [Signature] Address: P.O. DRAWER AB, Vernal, Ut. 84078
Title: Sec-Treas. Page 1 of 1

File

Form approved - Budg.

u No. 1004-0138 Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-6
(November 1983)
(Formerly 9-329)

MONTHLY REPORT
OF
OPERATIONS

Lease No. ML-22161

Communitization Agreement No. _____

Field Name DIRTY DEVILUnit Name DIRTY DEVILParticipating Area W $\frac{1}{2}$ Sec. 29, T9S-R24E, SLMCounty UINTAH State UTAHOperator HIKO BELL MINING & OIL COMPANY☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of JUNE, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No	Sec & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
11-29	NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 29	9S	24E	wait on rig.	--	--	--	--	T.D. 250'. Set 250' 10 3/4 surface casing and cemented with 215 sx. Waiting on rig.

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Produced	--	--	--
*Sold	--	--	XXXXXXXXXXXXXXXXXX
*Spilled or Lost	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXXXX	--	XXXXXXXXXXXXXXXXXX
*Used on Lease	--	--	XXXXXXXXXXXXXXXXXX
*Injected	--	--	--
*Surface Pits	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	--
*Other (Identify)	--	--	--
*On hand, End of Month	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
*API Gravity/BTU Content	--	--	XXXXXXXXXXXXXXXXXX

Authorized Signature: R. BelmontAddress: P.O. DRAWER AB, VERNAL, UT 84078Title: Sec.-Treas.Page 1 of 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-6
(November 1983)
(Formerly 9-329)

MONTHLY REPORT
OF
OPERATIONS

Form approved - Budget

No. 1004-0138 Expires August 31, 1985

Lease No. ML-22161

Communitization Agreement No. _____

Field Name DIRTY DEVIL

Unit Name DIRTY DEVIL

Participating Area W $\frac{1}{2}$ Sec. 29, T9S-R24E, SLM

County UINTAH State UTAH

Operator HIKO BELL MINING & OIL COMPANY

☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of JULY, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
11-29	NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 29	9S	24E	S.D.	-0-	-0--	-0-	-0-	Waiting on Rig

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month	-0-	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
*Produced	-0-	-0--	-0-
*Sold	-0-	-0-	xxxxxxxxxxxxxxxxxx
*Spilled or Lost	-0-	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
*Flared or Vented	xxxxxxxxxxxxxxxxxx	-0-	xxxxxxxxxxxxxxxxxx
*Used on Lease	-0-	-0-	xxxxxxxxxxxxxxxxxx
*Injected	-0-	-0-	-0-
*Surface Pits	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx	-0-
*Other (Identify)	-0--	-0-	-0-
*On hand, End of Month	-0-	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
*API Gravity/BTU Content	-0--	-0-	xxxxxxxxxxxxxxxxxx

Authorized Signature: _____

Address: P.O. DRAWER AB, VERNAL, UT. 84078

Title: SEC.-TREASURER

Page 1 of 1

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug wells or to change the reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. ML-22161	
2. NAME OF OPERATOR HIKO BELL MINING & OIL COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. DRAWER AB, VERNAL, UTAH, 84078		7. UNIT AGREEMENT NAME DIRTY DEVIL	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC. 29 (815 FWL & 505 FNL)		8. FARM OR LEASE NAME	
14. PERMIT NO. 43-047-31617		15. ELEVATIONS (Show whether of, FT. OR, etc.) 5,330.4 GL	
		9. WELL NO. 11-29	
		10. FIELD AND POOL, OR WILDCAT	
		11. SEC., T., R., M., OR BLM. AND SUBST OR AREA SEC. 29, T9S-R24E SLM	
		12. COUNTY OR PARISH UINTAH	
		13. STATE UTAH	

AUG 28 1985

DIVISION OF OIL
GAS & MINING

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is intentionally drilled, give subsurface locations and measured and true vertical depths for all markers and casing points pertinent to this work.)

OPERATOR DRILLED 14 3/4" HOLE TO 250' AND SET 250' of 10 3/4" SURFACE CASING, J-55, 40.50#/FT. AND CEMENTED, CIRCULATING CEMENT TO SURFACE. GOOD RETURNS. OPERATOR PLANS TO DRILL 9 1/2" HOLE TO 3,400' AND SET 3,400' of J-55, 33#, 7 5/8" CASING; CEMENT, CIRCULATE TO SURFACE. PLAN TO DRILL 6 1/2" HOLE, 3400-7,650' AND SET 7,650' OF J-55, 23# 4 1/2" CASING AND CEMENT WITH 200 SX. CLASS G CEMENT. MAXIMUM ANTICIPATED BOTTOM HOLE PRESSURE IS 2,400#. PLAN TO USE FRESH WATER AS CIRCULATING FLUID TO 3,400' AND KCL WATER, 3,400' TO T.D. IF LOST CIRCULATION IS ENCOUNTERED, PLAN TO CEMENT LC ZONES. IF GOOD CIRCULATION IS ESTABLISHED AT 3000' OPERATOR WILL NOT RUN 7 5/8" CASING & WILL DRILL 9 1/2" HOLE TO T.D.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MININGDATE: 9/3/85
BY: [Signature]

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature]

TITLE SEC.-TREASURER

DATE 8-23-85

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3160-6
(November 1983)
(Formerly 9-329)

MONTHLY REPORT
OF
OPERATIONS

Lease No. ML-2216

Communitization Agreement No. _____

Field Name DIRTY DEVILUnit Name DIRTY DEVILParticipating Area W $\frac{1}{2}$ Sec. 29, T9S-R24E, SLMCounty UINTAH State UTAHOperator HIKO BELL MINING & OIL COMPANY☐ Amended Report

The following is a correct report of operations and production (including status of all unplugged wells) for the month of December, 1985

(See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Well No	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
11-29	NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 29	9S	24E		-0-	-0-	-0-	--0	Testing perfs 7197200. Cleaned out sand & treated well w/2000 gals. of MS 7 $\frac{1}{2}$ % acid w/2# gals non-emulsifying agent & 4 gals./100 A-200 inhibitor. Avg. treat. pressure was 2500#. ISIP 240 Set RD @ 7150 & per @ 7065 & treated per 7000-7091. Treated w/2000 Gals. of MSR acid as above. Swabbed & flowed well Testing well by flowing and intermittent shutting well in.

RECEIVED
JAN 09 1986
DIVISION OF OIL
GAS & MINING

*If none, so state.

DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month	-0-	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
*Produced	-0-	-0-	-0-
*Sold	-0-	-0-	xxxxxxxxxxxxxxxxxx
*Spilled or Lost	-0-	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
*Flared or Vented	xxxxxxxxxxxxxxxxxx	0	xxxxxxxxxxxxxxxxxx
*Used on Lease	-0-	-0-	xxxxxxxxxxxxxxxxxx
*Injected	-0-	-0-	-0-
*Surface Pits	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx	-0-
*Other (Identify)	-0-	-0-	-0-
*On hand, End of Month	-0-	xxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxx
*API Gravity/BTU Content	-0-	-0-	xxxxxxxxxxxxxxxxxx

Authorized Signature: W. E. Harrington Address: P.O. Drawer AB Vernal, UtahTitle: Sec.-Treas. Page 1 of 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

4

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other ☐

RECEIVED

2. NAME OF OPERATOR Hiko Bell Mining & Oil Co. JAN 28 1986
3. ADDRESS OF OPERATOR P.O. Drawer AB Vernal, Utah 84078
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 29 (815 FWL & 505 FNL)
At top prod. interval reported below Same
At total depth Same

14. PERMIT NO. 43-047-31617 DATE ISSUED 4-26-85
15. DATE SPUDDED 4-30-85 16. DATE T.D. REACHED 10-27-85 17. DATE COMPL. (Ready to prod.) 1-23-86
18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 5343 KB 19. ELEV. CASINGHEAD 5333
20. TOTAL DEPTH, MD & TVD 7355' 21. PLUG, BACK T.D., MD & TVD 7264
22. IF MULTIPLE COMPL., HOW MANY* \rightarrow 23. INTERVALS DRILLED BY 0-7355
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* \rightarrow 25. WAS DIRECTIONAL SURVEY MADE -0-

Neslin facies of Mesaverde Group: 7190-7200, 7080-7091, 7036-52
26. TYPE ELECTRIC AND OTHER LOGS RUN Cement Bond Log 931-72711
Dual Ind. Laterlog, 256-7354 w/GR, Comp. Neutron Fm. Den. 244-7349
27. WAS WELL CORED No

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10 3/4"	J-55, 40.5"	250	14 3/4	215 sx. Class G.	-0-
4 1/2"	J-55, 9.8 + 10.5	7355	9 5/8 to 2908	1218 sx.	-0-
			7 2/8 to 7355		

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
7190-7200 w/2 shots/ft. (.34")				DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
7080-7091 w/2 shots/ft, "					See attached well history
7036-7052 " " "					

33. PRODUCTION							
DATE FIRST PRODUCTION SI		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing				WELL STATUS (Producing or shut-in) SI	
DATE OF TEST 1-17-86	HOURS TESTED 24	CHOKE SIZE 16/64	PROD'N. FOR TEST PERIOD \rightarrow	OIL—BBL. 2.0	GAS—MCF. 1,750	WATER—BBL. -0-	GAS-OIL RATIO
FLOW. TUBING PRESS. 1200	CASING PRESSURE 1300	CALCULATED 24-HOUR RATE \rightarrow	OIL—BBL. 24	GAS—MCF. 1,750	WATER—BBL. -0-	OIL GRAVITY-API (CORR.) 60	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented
TEST WITNESSED BY Benny Saiz

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED Robert E. Leavitt TITLE Sec. - Treas, Mgr. Exploration DATE 1-24-86

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH
Uinta	Surface	935	See attached Well History. ss & sh.			
Green River fm.	935	4070	Oil Shales w/interbedded siltstone, Sandstone & tufaceous siltstone, w/s/interbedded limestones			
Wasatch fm.	4070	6020	Sandstone, shale			
Mesaverde Grp.	6020	6980	Interbedded ss & sh			
Farrer facies	6980	7355	Interbedded ss, sh & coal beds			
TD 7355			SEE ATTACHED RESUME OF OIL & GAS SHOWS IN ACCOMPANYING WELL HISTORY			
Green River fm.	1500	2250	Interbedded oil shales and tuft beds, fractured, w/live, gassy black oil: very considerable amount oil on pits			
Wasatch fm.	4440 5597	4460 5600	Brown oil on pits with gas incr. in ss ss w/gas show			
Mesaverde Grp.	6800	6850	Gas incr. in ss to 1200 units from 100 unit background			
	7076	7300	Gas incr. to 3700 units, see attached resume			



DOGM 56-84-21
an equal opportunity employer

Page 1 of 1

Address +
Operator Chg

110415

MONTHLY OIL AND GAS PRODUCTION REPORT

Operator name and address:

•HIKO BELL MINING & OIL CO
P O DRAWER ~~AD~~ *Box 1845*
VERNAL UT 84078
ATTN: ROBERT E. COVINGTON

Please
Note Address
Change

Utah Account No. N0470

Report Period (Month/Year) 8 / 86Amended Report ☐[illegible]

RECEIVED
OCT 27 1965

DIVISION OF
OIL, GAS & MINING

Comments (attach separate sheet if necessary) Dirty Devil 11-29 < 430 473 1617 > was
assigned to DIRTY DEVIL LP 40 EPS Resources, Inc., 10200 E. GIRARD AVE.
KENNEDY Center, Suite 225, Denver, Co. ⁸⁰²³¹ who will be reporting this well as of
9-1-86

I have reviewed this report and certify the information to be accurate and complete.

Date 10-22-86

Robert E. Covington
Authorized signature

Telephone 801-789-3223

PLEASE COMPLETE FORMS IN BLACK INK



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
324 SOUTH STATE, SUITE 301
SALT LAKE CITY, UTAH 84111-2303

3160
(U-922)

October 15, 1986

Dirty Devil, L.P.
10200 East Girard Ave.
Suite E 225
Denver, CO 80231

Re: Wasatch Formation Participating Area
Dirty Devil Unit
Uintah County, Utah

Gentlemen:

Your application of August 22, 1986, originally filed by Hiko Bell Mining and Oil Company, requests an Initial Wasatch Formation Participating Area "A" of 320.00 acres. The application is to be named the Wasatch Formation Participating Area and is approved effective as of August 17, 1984, pursuant to Section 11 of the Dirty Devil Unit Agreement, Uintah County, Utah.

This participating area is based upon the completion of Unit Well No. 22-27, in the SE 1/4 NW 1/4, Section 27, T. 9 S., R. 24 E., SLM, Federal Unit Tract No. 1, Lease No. SL-071725C, as being a well capable of producing unitized substances in paying quantities. Enclosed is a schedule showing the lands and their percentage of allocation in the participating area. At this time, leases U-14233 and U-38433 are considered unleased tracts, pending outcome of appeals, and should not receive any allocation of revenues.

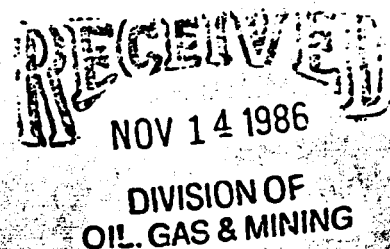
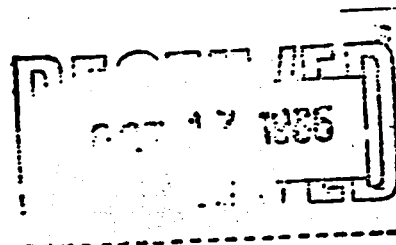
Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the establishment of the Wasatch Formation Participating Area.

In accordance with Section 11 and 32 of the Dirty Devil Unit, the Devils Playground Unit No. 14-08-0001-16086 automatically terminated August 17, 1984, and associated participating areas with the Devils Playground Unit are now incorporated into the Dirty Devil Unit.

Sincerely,

Howard A. Lemm
Howard A. Lemm
Chief, Branch of Fluid Minerals

Enclosure



THE DIRTY DEVIL, L.P. - OPERATOR
GAS WELLS IN THE DIRTY DEVIL UNIT

022017

<u>Well Name</u>	<u>Location</u>	<u>Lease #</u>
1. Well No. 31-15A	NW/4NE/4 Section 15 T9S-R24E SLM Uintah County, Utah API #4304731726	ML-28042
2. Well No. 32-31	SW/4NE/4 Section 31 T9S-R24E SLM Uintah County, Utah API #4304731010	U-9215
3. Well No. 44-5	SE/4SE/4 Section 5 T10S-R24E SLM Uintah County, Utah API #4304730280	U-1207
4. Well No. 11-29	NW/4NW/4 Section 29 T9S-R24E SLM Uintah County, Utah API #4304731617	ML - 22161 SGW
5. Well No. 23-20	NE/4SW/4 Section 20 T9S-R24E SLM Uintah County, Utah API #4304731009	U-31266
6. Well No. 23-17	NE/4SW/4 Section 17 T9S-R24E SLM Uintah County, Utah API #4304730568	U-31266
7. Well No. 22-27	SE/4NW/4 Section 27 T9S-R24E SLM Uintah County, Utah API #4304731507	SL-071725-C
8. Well No. 41-9	NE/4NE/4 Section 9 T9S-R24E SLM Uintah County, Utah API #4304730339	U-5217

DIRTY DEVIL UNIT
GAS WELLS

9. Well No. 1-18

NW/4NE/4 Section 18
T9S-R24E
SLM
Uintah County, Utah
API #4304730124

U-0145459



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
324 SOUTH STATE, SUITE 301
SALT LAKE CITY, UTAH 84111-2303

October 9, 1986

Dirty Devil, L.P.
10200 East Girard Ave., Suite E225
Denver, Colorado 80231

Re: Successor of Operator
Dirty Devil Unit
Uintah County, Utah

Gentlemen:

We received an indenture dated October 8, 1986, whereby Hiko Bell Mining and Oil Company resigned as Operator and Dirty Devil, L.P. was designated as Operator for the Dirty Devil Unit Agreement, Uintah County, Utah.

This indenture was-executed by all required parties. The signatory parties have complied with Section 6 of the unit agreement. The instrument is hereby accepted effective as of October 9, 1986. Please advise all interested parties of the change in unit operator.

Sincerely,

Howard A. Lemm
Chief, Branch of Fluid Minerals

Enclosure

RECEIVED
NOV 14 1986

DIVISION OF
OIL, GAS & MINING



EPS Resources Corporation

Kennedy Center
10200 E. Girard Ave. Bldg. B. Suite 225
Denver, Colorado 80231
(303) 696-2654

November 12, 1986

RECEIVED
NOV 14 1986

**DIVISION OF
OIL, GAS & MINING**

Ms. Claudia L. Jones
State of Utah Natural Resources
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

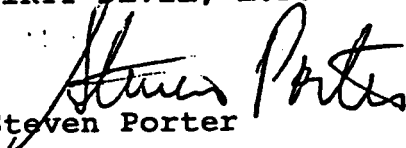
Dear Claudia:

As per our conversation, the Dirty Devil, L.P. is Operator of the Dirty Devil Unit. The Unit was formed August 17, 1984 when the Participating Area was approved for Unit well no. 22-27 on October 15, 1986.

The Dirty Devil, L.P. will be reporting production quantities as of November 1, 1986, for all wells within the unit. To expedite reporting of the Dirty Devil 11-29 well, enclosed are production reports for September and October. The well has been tested and is awaiting a pipeline. Production of the well is expected to commence in December.

Sincerely,

DIRTY DEVIL, L.P.


Steven Porter

SP/ng

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

ML 22161

SGW

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

051408

7. UNIT AGREEMENT NAME

Dirty Devil

8. FARM OR LEASE NAME

State

9. WELL NO.

11-29

10. FIELD AND POOL, OR WILDCAT

Bonanza

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 29 T9S R24E

12. COUNTY OR PARISH 13. STATE

Uintah

Utah

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1.

OIL ☐ WELL GAS ☒ WELL OTHER

2. NAME OF OPERATOR

Dirty Devil, L.P.

3. ADDRESS OF OPERATOR

(303) 696-2654

10200 E. Girard Ave., Bldg. B, Suite 225 Denver, CO 80231

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface

815' FWL, 505' FNL NW 1/4 NW 1/4
Section 29 T9S R24E SLM

14. PERMIT NO.

43-047-31617

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

5343 KB

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

PULL OR ALTER CASING

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Operator plans to perforate the following intervals in the Mesaverde/Wasatch Formation:

6996-6999 3'
6968-6972 4'
6954-6956 2'
6942-6946 4'
6936-6938 2'
6920-6922 2'
6906-6910 4'
6862-6866 4'
25'

Operator plans to stimulate (frac) the above intervals using a cross-linked gel,
20/40 mesh sand media.

RECEIVED
MAY 08 1987

DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

Edward M. Nester

TITLE

Engineer

DATE

May 7, 1987

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

*See Instructions on Reverse Side

DATE

BY:

5-11-87
John R. B...

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other
instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

4

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐ MAY 9 1988

b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☒ DEEP-EN ☐ PLUG BACK ☐ DIFF. RENVR. ☐ Other ☐ DIVISION OF OIL, GAS & MINING

2. NAME OF OPERATOR
Dirty Devil, LP c/o EPS Resources Company

3. ADDRESS OF OPERATOR
5655 S. Yosemite, Ste: 460 Englewood, CO 80111 303-721-7920

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 815' FWL, 505' FNL NW4NW4 Section 29 T9S-R24E SLM

At top prod. interval reported below Same

At total depth Same

14. PERMIT NO. 43-047-31617 DATE ISSUED 4-26-85

5. LEASE DESIGNATION AND SERIAL NO.

ML 22161

6. INDIAN, ALLOTTEE OR TRIBE NAME

7. LEASE AGREEMENT NAME

Dirty Devil

8. FARM OR LEASE NAME

State

9. WELL NO.

11-29

10. FIELD AND POOL, OR WILDCAT

Bonanza

11. SEC., T. R., M., OR BLOCK AND SURVEY OR AREA

Sec. 29 T9S-R24E

12. COUNTY OR PARISH
Utah

13. STATE
Utah

15. DATE SPUDDED 4-30-85 16. DATE T.D. REACHED 10-27-85 17. DATE COMPL. (Ready to prod.) 12-1-87 18. ELEVATIONS (DF, RKB, RT, GB, ETC.)* 5343 KB 19. ELEV. CASINGHEAD 5333

20. TOTAL DEPTH, MD & TVD 7355' 21. PLUG, BACK T.D., MD & TVD 7264' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 0-TD 24. ROTARY TOOLS 0 25. CABLE TOOLS 0

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
Mesaverde Intervals (6890-6894 6836-6844 6706-6712)
(6862-6866 6728-6736) 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN
DIL, CNL/FDC/CBL 27. WAS WELL CORED No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10 3/4"	J-55 40.5#	250'	14 3/4"	215 SX Class "G"	0
4 1/2"	J-55 10.5#	7355'	9 5/8"@2908	1218 SX Class "G"	0
			7 7/8"@7355		

LINER RECORD					TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	7300	None

31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
6890-6894	w/2	SPF		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6862-6866	w/2	SPF		6894-6728	Frac w/ 56,000 Gal
6836-6844	w/2	SPF			Gel & 100,000# 20/40
6728-6736	w/2	SPF			Mesh Sand
6706-6712	w/2	SPF			

33.* PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
SI		Pumping				SI	

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
5-4-88	24	1/2	→	2	400	25	200,000
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
200	700	→	2	400	25	52°	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold TEST WITNESSED BY J. Mercer

35. LIST OF ATTACHMENTS
Note: Well History and Logs Previously Sent

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED Glenn Peterson TITLE Petroleum Engineer DATE 5-5-88

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

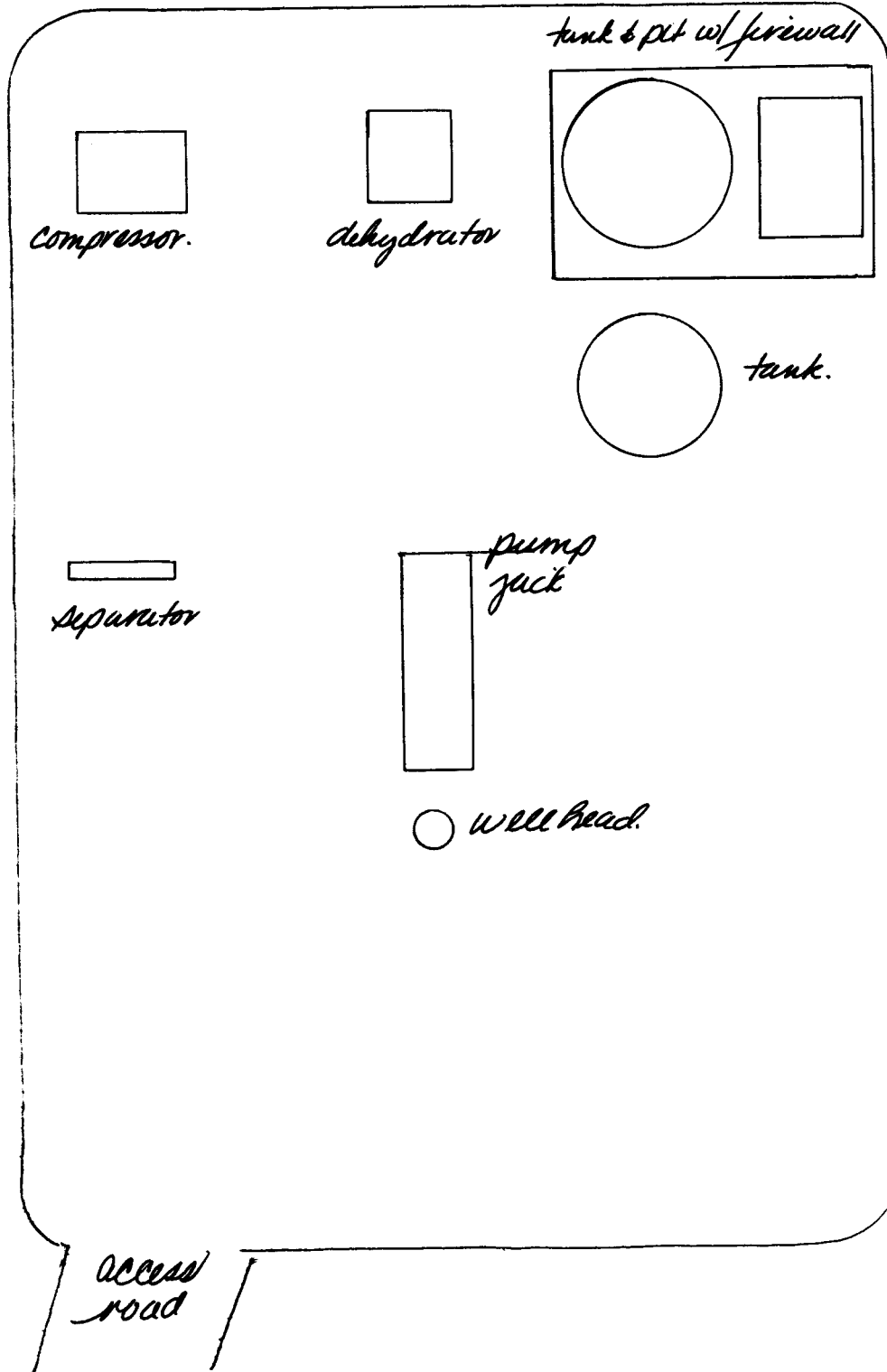
37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Mesaverde	6890	6894	Oil, Gas and Water
Mesaverde	6862	6866	Oil, Gas and Water
Mesaverde	6834	6844	Oil, Gas and Water
Mesaverde	6728	6736	Oil, Gas and Water
Mesaverde	6706	6712	Oil, Gas and Water

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH

N





TAS

EPS Resources Company

5655 South Yosemite

Suite 460

Englewood, CO 80111

(303) 721-7920

October 6, 1988

RECEIVED
OCT 11 1988

~~Connie Larsen~~
Utah State Tax Commission
160 East Third South
Salt Lake City, UT 84134-0550

DIVISION OF
OIL, GAS & MINING

RE: Dirty Devil Unit
Uintah County, Utah
Utah Account No. N5001

Dear Connie:

In reference to our recent conversation, I spoke with Dwain Immel of our office and he informed me that The Dirty Devil, L.P. is the operator of The Dirty Devil Unit located in Uintah County, Utah. EPS Resources Company is the Managing General Partner of The Dirty Devil, L.P. Please let your records show The Dirty Devil, L.P. as operator of the following wells with the corresponding account number N5001.

<u>Well Name</u>	<u>Entity</u>	<u>Location</u>
Devils Playground Fed 23-17 4304730568	06136	09S 24E 17
Devils Playground 41-9 4304730339	06195	09S 24E 9
Red Wash Fed 1-18 4304730124	06200	09S 24E 18
Dirty Devil 22-27 4304731507	09585	09S 24E 27
Dirty Devil Unit 11-29 4304731617	09586	09S 24E 29
Dirty Devil Unit 31-15A 4304731726	10697	09S 24E 15
Devils Playground Fed 23-20 4304731009	10698	09S 24E 20



EPS Resources Corporation

5655 South Yosemite
Suite 460
Englewood, CO 80111
(303) 721-7920

May 18, 1989

RECEIVED
MAY 22 1989

Bureau of Land Management
Attn: Mr. Ed Forman
Vernal District Office
170 South, 500 East
Vernal, Utah 84078

DIVISION OF
OIL, GAS & MINING

5/24/89 spoke w/ Mr. Neibauer
at 4:10 p.m. effective date
is 1-1-89 JS

RE: Dirty Devil Unit
Uintah County, Utah

Dear Mr. Forman:

This letter is written notification to change the name of the Operator of the Dirty Devil Unit from the Dirty Devil L.P. to EPS Resources Corporation.

EPS Resources Corporation is the Managing General Partner of the Dirty Devil L.P..

EPS Resources Corporation has provided a letter of credit #244 to the Bureau of Land Management.

Attached is the list of wells EPS Resources Corporation owns and operates in the Dirty Devil Unit.

If you have any questions, please do not hesitate to contact myself or Cindy Senko at (303) 721-7920.

Sincerely,

Edward Neibauer
President

CS/ntm

Enclosure

cc: State of Utah, Division of Oil, Gas & Mining
Attn: Mickey Coulthard
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

OIL AND GAS	
DRN	3 ✓
4-JRB ✓	5- GLH ✓
DTS	6- SLS ✓
1-TAS	2-KCR
7- MICROFILM	✓
8- FILE	

Mr. Ed Forman
Page Two
May 18, 1989

DIRTY DEVIL UNIT
UINTAH COUNTY, UTAH

<u>Well Number</u>	<u>Lease No.</u>	<u>Section</u> <u>1/4 of 1/4</u>	<u>TWP</u>	<u>RNG</u>
23-17	U-31266	NESW Sec. 17	9S	24E
23-20	U-31266	NESW Sec. 20	9S	24E
41-9	U-5217	NENE Sec. 9	9S	24E
1-18	U-0145459	NWNE Sec. 18	9S	24E
22-27	SL-071725-C	SENW Sec. 27	9S	24E
11-29	ML-22161	NWNW Sec. 29	9S	24E
31-15A	ML-28042	NWNE Sec. 15	9S	24E
1-4	U-1207	NENW Sec. 4	10S	24E
1-5	U-1207	NENW Sec. 5	10S	24E
1-8	U-59150	SESW Sec. 8	9S	24E
1-9	U-59089	SWSE Sec. 9	9S	24E

355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Ut
84180-1203. ● (801-538-5340)

Page 1 of 1

MONTHLY OIL AND GAS PRODUCTION REPORT

Operator name and address:

eH. 1-1-89
 DIRTY DEVIL, L.P. EPS RESOURCES CORP.
 5655 S.YOSEMITE, STE 460
 ENGLEWOOD CO 80111
 ATTN: DALE ANNE KESSLER

N 2025
Utah Account No. N5001
Report Period (Month/Year) 4 / 89
Amended Report ☐

Well Name	Producing Zone	Days Oper	Production Volume		
API Number Entity Location			Oil (BBL)	Gas (MSCF)	Water (BBL)
DEVILS PLAYGROUND FED 23-17 4304730568 06136 09S 24E 17	MVRD				
DEVILS PLAYGRND 41-9 4304730339 06195 09S 24E 9	WSTC				
RED WASH FED 1-18 4304730124 06200 09S 24E 18	WSTC				
DIRTY DEVIL 22-27 4304731507 09585 09S 24E 27	WSTC				
DIRTY DEVIL UNIT #11-29 4304731617 09586 09S 24E 29	MVRD				
DIRTY DEVIL UNIT #31-15A 4304731726 10697 09S 24E 15	GRRV				
DEVILS PLAYGROUND FED 23-20 4304731009 10698 09S 24E 20	MVRD				
TOTAL					

Comments (attach separate sheet if necessary)

* 5-26-89 Entities are all single entity wells
(ok!) lcf

I have reviewed this report and certify the information to be accurate and complete.

Date _____

Authorized signature

Telephone _____

PLEASE COMPLETE FORMS IN BLACK INK

3170
(16-377)

August 7, 1989



EPS Resources Corp.
5045 South Yosemite, Suite 440
Englewood, Colorado 80111

Gentlemen:

Pursuant to your request of July 18, 1989, we have reviewed our paying well determinations of January 12, 1989 (copy enclosed).

As a result of this review we have determined that under existing conditions the following wells are not capable of producing unitized substances in paying quantities as defined by Section 11 of the Dirty Devil Unit Agreement.

<u>Entity #</u>	<u>Well no.</u>	<u>Location</u>	<u>Lease no.</u>
6136	23-17	NE1/4 sec. 17, T. 9 S., R. 24 E.	U-31255 43-047-30568
9586	11-29	NN1/4 sec. 29, T. 9 S., R. 24 E.	State PL-27151 43-047-31617
10697	31-15A	NN1/4 sec. 15, T. 9 S., R. 24 E.	State PL-28042 43-047-31726
10698	23-20	NE1/4 sec. 20, T. 9 S., R. 24 E.	U-31206 43-047-31009

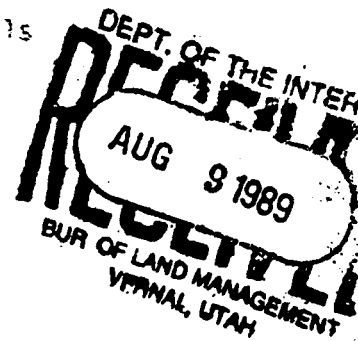
Therefore, our paying well determination dated January 12, 1989, and the approval of the Initial Wasatch Mesaverde participating Acre "D", dated May 7, 1982 (copy enclosed), are hereby rescinded. Production from these wells shall be handled and reported on a lease basis. Please advise all interested parties with evidence of this determination.

Sincerely,
(Orig. Sgd.) R. A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

* No Entity changes necessary.
9-26-89
JCR

1 Enclosure
Determination 1/12/89
bcc: DH-Vernal
Dirty Devil Unit File
U-942 w/encl
RIP-Denver w/encl
Utah State Land Board w/encl
Agr Sec. Chron
Fluid Chron



Valley Operating, Inc.

Office: (303) 355-3242 Fax: (303) 377-9798

745 Gilpin Street
Denver, Colorado 80218-3633

August 8, 1991

Division of Oil, Gas & Mining
ATTN: Lisha Romero
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Approved Sundry Notices for wells
in Uintah County, Utah


Dear Ms. Romero:

As per the regulations please find enclosed the approved Sundry Notices from the Bureau of Land Management for the following wells in which Valley Operating, Inc. has been approved as the new Operator in Uintah County, Utah:

11-29	31-15-A
28-1	1-18
13-1	
22-27	
32-2	
1-9	
41-9	
23-17	
23-20	

Please inform me if we are missing any Sundry Notices that you are aware of.

Sincerely yours,


Cindy Senko
Contract Landman

cs/

Enclosures

RECEIVED

AUG 12 1991

DIVISION OF
OIL GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

ML-22161

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Dirty Devil Unit

8. FARM OR LEASE NAME

9. WELL NO.

11-29

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 29, T9S-R24E

12. COUNTY OR PARISH 13. STATE

Uintah

Utah

1. OIL ☐ GAS ☒ OTHER ☐
WELL WELL

2. NAME OF OPERATOR

Valley Operating, Inc.

3. ADDRESS OF OPERATOR

745 Gilpin Street, Denver, Colorado 80218-3633

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

T9S-R24E, Sec. 29: NWNW

14. PERMIT NO.

43-047-31617

15. ELEVATIONS (Show whether OF, RT, CR, etc.)

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other) Change of Operator

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Valley Operating, Inc., is submitting this Sundry Notice to effect the change of Operator from EPS Resources Corporation to Valley Operating, Inc.

Valley Operating, Inc., as Operator is covered under Statewide Utah Oil and Gas Bond No. UT0832 for the federal leases and for the state leases a CD with the United Bank of Denver ABA #102-000-076 has been established.

Effective 3/8/91.

RECEIVED

AUG 12 1991

DIVISION OF
OIL GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

F. Lee Robinson

TITLE Vice-President

DATE 4-8-91

(This space for Federal or State use only)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

ASSISTANT DISTRICT
MANAGER MINERALS

TITLE

DATE JUN 03 1991

*See Instructions on Reverse Side

Speed Letter.

To Ed Bonner
State Lands

From Don Staley
Oil, Gas and Mining

Subject Operator Change

MESSAGE

Date 9-3 19 91

Ed,

For your information, attached are copies of documents regarding an operator change on a state lease(s). ^{Valley Operating has} ~~These companies have~~ complied with our requirements*. Our records have been updated. Bonding should be reviewed by State Lands ASAP.

Former Operator: EPS Resources Corp (N 2025)

New Operator: VALLEY Operating Inc. (N 8270)

Well:	API:	Entity:	S-T-R:
Dirty Devil Unit 11-29	43-047-31617	09586	29-95-24E
Conoco State 32-2	43-047-30100	10096	32-85-25E
Dirty Devil Unit 31-15A	43-047-31726	10697	15-95-24E

* We have been unable to obtain documents from EPS.

CC: Operator File

Signed

Don Staley

REPLY

Date _____ 19 ____

Signed

RECIPIENT—RETAIN WHITE COPY, RETURN PINK COPY.

1- UCR	<input checked="" type="checkbox"/>
2- DTS	<input checked="" type="checkbox"/>
3- VLC	<input checked="" type="checkbox"/>
4- RJF	<input checked="" type="checkbox"/>
5- RWM	<input checked="" type="checkbox"/>
6- LCR	<input checked="" type="checkbox"/>

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 3-8-91)

TO (new operator) VALLEY OPERATING, INC.
(address) 745 GILPIN STREET
DENVER, CO 80218-3633
CINDY SENKO/LANDMAN
phone (303) 355-3242
account no. N8270

FROM (former operator) EPS RESOURCES CORP.
(address) 5655 S. YOSEMITE, #460
ENGLEWOOD, CO 80111
DALE ANN KESLER
phone (303) 721-7920
account no. N 2025

Well(s) (attach additional page if needed):

Name: <u>DEVILS PLAYGRND 23-17/MV</u>	API: <u>43-047-30568</u>	Entity: <u>6136</u>	Sec <u>17</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>U-31266</u>
Name: <u>DEVILS PLAYGRND 23-20/MV</u>	API: <u>43-047-31009</u>	Entity: <u>10698</u>	Sec <u>20</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>U-31266</u>
Name: <u>DIRTY DEVIL U 31-15A/GR</u>	API: <u>43-047-31726</u>	Entity: <u>10697</u>	Sec <u>15</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>ML-28042</u>
Name: <u>RED WASH FED 1-18/WSTC</u>	API: <u>43-047-30124</u>	Entity: <u>6200</u>	Sec <u>18</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>U-014545</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- 1 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). (*Unable to get documentation*).
- 2 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (*Rec'd 8-12-91*).
- 3 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: #150678.
- 4 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- 5 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (*8-21-91*)
6. Cardex file has been updated for each well listed above.
- 7 7. Well file labels have been updated for each well listed above.
- 8 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- 9 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operators' bond files.
3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date Sept 6 1991. If yes, division response was made by letter dated Sept 6 1991.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated Sept 6 1991, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
2. Copies of documents have been sent to State Lands for changes involving State leases.

MICROFILMING

1. All attachments to this form have been microfilmed. Date: Sept 6 1991.

FILED

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

9/08/91 Btm/Kernal Approved, effective dates 6-3-91 and 6-12-91. (see individual well sundry)

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing	
1- LCR	<input checked="" type="checkbox"/>
2- DTS	<input checked="" type="checkbox"/>
3- VLC	<input checked="" type="checkbox"/>
4- RJF	<input checked="" type="checkbox"/>
5- RWM	<input checked="" type="checkbox"/>
6- LCR	<input checked="" type="checkbox"/>

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- ☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 3/8/91)

TO (new operator) <u>VALLEY OPERATING, INC.</u>	FROM (former operator) <u>EPS RESOURCES CORP.</u>
(address) <u>745 GILPIN STREET</u>	(address) <u>5655 S. YOSEMITE, #460</u>
<u>DENVER, CO 80218-3633</u>	<u>ENGLEWOOD, CO 80111</u>
<u>CINDY SENKO/LANDMAN</u>	<u>DALE ANN KESLER</u>
phone <u>(303) 355-3242</u>	phone <u>(303) 721-7920</u>
account no. <u>N 8270</u>	account no. <u>N2025</u>

Well(s) (attach additional page if needed):

Name: <u>DIRTY DEVIL U #11-29/MV</u>	API: <u>43-047-31617</u>	Entity: <u>9586</u>	Sec <u>29</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>ML-221</u>
Name: <u>COYOTE BASIN 28-1/GRRV</u>	API: <u>43-047-30098</u>	Entity: <u>10095</u>	Sec <u>28</u> Twp <u>8S</u> Rng <u>25E</u>	Lease Type: <u>U-0162</u>
Name: <u>FEDERAL #13-1/UNTA</u>	API: <u>43-047-31811</u>	Entity: <u>10796</u>	Sec <u>13</u> Twp <u>8S</u> Rng <u>23E</u>	Lease Type: <u>U-6139</u>
Name: <u>DIRTY DEVIL U 22-27/WST</u>	API: <u>43-047-31507</u>	Entity: <u>9585</u>	Sec <u>27</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>SL7172</u>
Name: <u>CONOCO ST 32-2/DGCRK</u>	API: <u>43-047-30100</u>	Entity: <u>10096</u>	Sec <u>32</u> Twp <u>8S</u> Rng <u>25E</u>	Lease Type: <u>ML-1124</u>
Name: <u>FEDERAL 1-9/DRL</u>	API: <u>43-047-31852</u>	Entity: <u>11199</u>	Sec <u>9</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>U-5217</u>
Name: <u>DEVILS PLAYGRND 41-9/WS</u>	API: <u>43-047-30339</u>	Entity: <u>6195</u>	Sec <u>9</u> Twp <u>9S</u> Rng <u>24E</u>	Lease Type: <u>U-5217</u>

OPERATOR CHANGE DOCUMENTATION

- N/A 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Unable to get documentation)*
- See 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 8-12-91)*
- See 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) If yes, show company file number: #150678.
- See 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
- See 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(8-21-91)*
- See 6. Cardex file has been updated for each well listed above. *(8-21-91)*
- See 7. Well file labels have been updated for each well listed above.
- See 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- See 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- 0 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) (no) (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- 1/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

- 1/A 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- 1/A 2. A copy of this form has been placed in the new and former operators' bond files.
- 1/A 3. The former operator has requested a release of liability from their bond (yes/no) . Today's date 19 . If yes, division response was made by letter dated 19 .

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- 1/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated 19 , of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- 15 9-3-91
2. Copies of documents have been sent to State Lands for changes involving State leases.
to - Ed Renner

FILMING

- 1/A 1. All attachments to this form have been microfilmed. Date: Sept 6 1991.

FILED

- 1/A 1. Copies of all attachments to this form have been filed in each well file.
- 1/A 2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

9/08/15 Btm/Vernal Approved, effective dates 6-3-91 and 6-12-91. (see individual well sundry)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals</small>		6. Lease Designation and Serial Number ML-22161
		7. Indian Allottee or Tribe Name
		8. Unit or Communitization Agreement Dirty Devil
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) _____		9. Well Name and Number Dirty Devil 11-29
2. Name of Operator Gerrity Oil & Gas Corporation		10. API Well Number 43-047-31617
3. Address of Operator 4100 E. Mississippi Ave., #1200, Denver CO 80222	4. Telephone Number 303/757-1110	11. Field and Pool, or Wildcat Wildcat
5. Location of Well Footage : 505' FNL & 815' FWL County : Uintah QQ, Sec. T., R., M. : NWNW Sec. 29-T9S-R24E State : Utah		
12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		

NOTICE OF INTENT
 (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
 (Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Change of Operator</u> | |

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

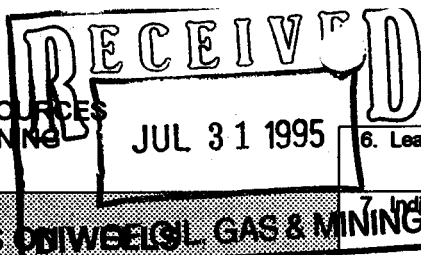
Please be advised that Gerrity Oil & Gas Corporation is considered to be the operator of the Dirty Devil #11-29, NWNW Section 29, Township 9 South, Range 24 East, Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by United States Fire Insurance Company.

14. I hereby certify that the foregoing is true and correct		Valley Operating Inc.	
Name & Signature	<u><i>[Signature]</i></u>	Title	<u><i>Mike Bus.</i></u> Date <u>07/24/95</u>
14. I hereby certify that the foregoing is true and correct		Gerrity Oil & Gas Corporation	
Name & Signature	<u><i>Tommy L. Huang</i></u> <i>DBW</i>	Title	<u>Vice President</u> Date <u>07/24/95</u>
(State Use Only)			

ACCEPTED

JAN 30 1996

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING



SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals</small>		6. Lease Designation and Serial Number ML-22161
		7. Indian Allottee or Tribe Name
8. Unit or Communitization Agreement Dirty Devil		9. Well Name and Number Dirty Devil 11-29
10. API Well Number 43-047-31617		11. Field and Pool, or Wildcat Wildcat
12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		

NOTICE OF INTENT
(Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> other Change of Operator	

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please be advised that Gerty Oil & Gas Corporation is considered to be the operator of the Dirty Devil #11-29, NWNW Section 29, Township 9 South, Range 24 East, Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by United States Fire Insurance Company.

14. I hereby certify that the foregoing is true and correct		Valley Operating Inc.	
Name & Signature		Title	Vice Pres. Date 07/24/95
14. I hereby certify that the foregoing is true and correct		Gerty Oil & Gas Corporation	
Name & Signature		Title	Vice President Date 07/24/95
(State Use Only)			

DOGM SPEED LETTER

To: Ed Bonner

From: Don Staley

School & Institutional Trust

Division of Oil, Gas & Mining

Lands Administration

Subject: Operator Change

MESSAGE

Date Sept 6 19 95

Ed,

For your information, attached are copies of documents regarding an operator change on a state lease(s)

These companies have complied with our requirments. Our records have been updated. Bonding should be reviewed by your agency ASAP.

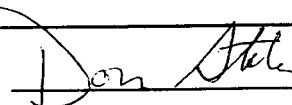
Former Operator: VALLEY OPERATING INC (N8270)

New Operator: GERRITY OIL & GAS CORP (N6355)

Well(s):	API:	Entity:	S-T-R:	Lease:
Dirty Devil Unit 11-29	43-047-31617	09586	29-9S-24E	ML22161
Dirty Devil 31-15A	43-047-31726	10697	15-9S-24E	ML28042
Conoco State 32-2	43-047-30100	10096	32-8S-25E	ML11124

cc: Operator File

Signed



REPLY

Date _____ 19 ____

Signed _____

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1-LHC	7-PL
2-LWP	8-SJ
3-BTS	9-FILE
4-VLC	
5-RJF	
6-LWP	

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- ☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 7-24-95)

TO (new operator) **GERRITY OIL & GAS CORP**
 (address) **4100 E MISSISSIPPI #1200**
DENVER CO 80222
TERRY RUBY
 phone (303) **757-1110**
 account no. **N 6355**

FROM (former operator) **VALLEY OPERATING INC**
 (address) **745 GILPIN ST**
DENVER CO 80218-3633
LEE ROBINSON
 phone (303) **289-7720**
 account no. **N 8270**

Well(s) (attach additional page if needed):

Name: DIRTY DEVIL UNIT 11-29	API: 43-047-31617	Entity: 9586	Sec 29 Twp 9S Rng 24E	Lease Type: ML22161
Name: DIRTY DEVIL 31-15A	API: 43-047-31726	Entity: 10697	Sec 15 Twp 9S Rng 24E	Lease Type: ML28042
Name: CONOCO STATE 32-2	API: 43-047-30100	Entity: 10096	Sec 32 Twp 8S Rng 25E	Lease Type: ML11124
Name: COYOTE BASIN 28-1	API: 43-047-30098	Entity: 10095	Sec 28 Twp 8S Rng 25E	Lease Type: U016257
Name: FEDERAL 13-1	API: 43-047-31811	Entity: 10796	Sec 13 Twp 8S Rng 23E	Lease Type: U61396
Name: DEVILS PLAYGROUND 23-17	API: 43-047-30568	Entity: 6136	Sec 17 Twp 9S Rng 24E	Lease Type: U31266
Name: DEVILS PLAYGROUND 23-20	API: 43-047-31009	Entity: 10698	Sec 20 Twp 9S Rng 24E	Lease Type: U31266

OPERATOR CHANGE DOCUMENTATION

- Rec 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 7-31-95)*
- Rec 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 7-31-95)*
- Rec 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: #177035. *(4-20-95)*
- Rec 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
- Rec 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(8-31-95)*
- mp 6. Cardex file has been updated for each well listed above. *9-5-95*
- mp 7. Well file labels have been updated for each well listed above. *9-5-95*
- Rec 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(8-31-95)*
- Rec 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- lec 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

** Trust Lands / Bond No. L102086076 (40,000) United States Fire Ins. Co.
(50,000 Reg. / In Process of Securing add'l 10,000)*

- N/A 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- lec 2. A copy of this form has been placed in the new and former operators' bond files.
- lec 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date 9/10/95 1995. If yes, division response was made by letter dated 9/10/95 1995.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated 9/10/95 1995, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- DTG 2. 9/10/95 Copies of documents have been sent to State Lands for changes involving State leases.
to Ed Bonner

FILMING

- ✓ 1. All attachments to this form have been microfilmed. Date: September 12 1995.

FILING

- lec 1. Copies of all attachments to this form have been filed in each well file.
- lec 2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

950815 Bum/Vernal Appr. Fed. lease wells "28-1 & 13-1"

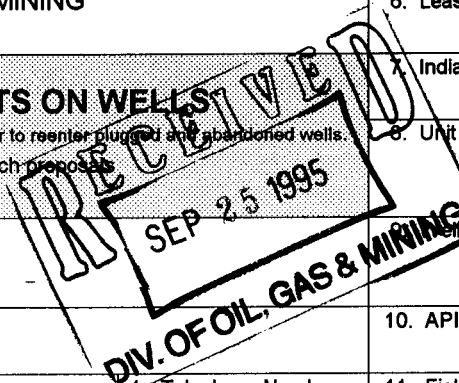
Denied "23-17 & 23-20" Will be handled on separate change.

950831 Trust Lands / Proceed with change "Add'l Bonding - In Progress".

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
 Use APPLICATION FOR PERMIT -- for such proposals



6. Lease Designation and Serial Number

ML-22161

7. Indian Allottee or Tribe Name

8. Unit or Communitization Agreement

Dirty Devil

9. Well Name and Number

Dirty Devil 11-29

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other (specify) _____

2. Name of Operator

Gerrity Oil & Gas Corporation

3. Address of Operator

4100 E. Mississippi Ave., #1200 Denver CO 80222

4. Telephone Number

303/757-1110

10. API Well Number

43-047-31617

11. Field and Pool, or Wildcat

Wildcat

5. Location of Well

Footage : 505' FNL & 815' FWL

County : Uintah

QQ, Sec. T., R., M. : NWNW Sec. 29-T9S-R24E

State : Utah

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
 (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
 (Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Production Resumed</u> | |

Date of Work Completion 9/18/95

Report results of Multiple Completions and Recompletions to different reservoirs
 on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Production was resumed on the Dirty Devil 11-29 on Monday, September 18, 1995. Gas sales will be to Questar Pipeline Company.

14. I hereby certify that the foregoing is true and correct

Name & Signature

Walter AckmanTitle Petroleum EngineerDate 09/21/95

(State Use Only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
 Use APPLICATION FOR PERMIT -- for such proposals

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other (specify) _____

2. Name of Operator

Gerrity Oil & Gas Corporation

3. Address of Operator

4100 E. Mississippi Ave., #1200 Denver CO 80222

4. Telephone Number

303/757-1110

5. Location of Well

Footage : 505' FNL & 815' FWL

County : Uintah

QQ, Sec, T., R., M. : NWNW Sec. 29-T9S-R24E

State : Utah

6. Lease Designation and Serial Number

ML-22161

7. Indian Allottee or Tribe Name

8. Unit or Communitization Agreement

Dirty Devil

9. Well Name and Number

Dirty Devil 11-29

10. API Well Number

43-047-31617

11. Field and Pool, or Wildcat

Wildcat

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
 (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
 (Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Water Disposal</u> | |

Date of Work Completion _____

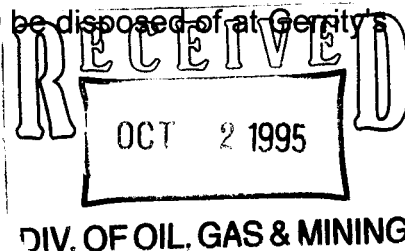
Report results of Multiple Completions and Recompletions to different reservoirs
 on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

We propose that the water produced from the Dirty Devil 11-29 be disposed of at Gerrity's

Federal #14-10 disposal well.



14. I hereby certify that the foregoing is true and correct

Name & Signature

Waldo Fehleman

Title Petroleum Engineer

Date 09/27/95

(State Use Only)

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY



Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
Box 145801

Salt Lake City, Utah 84114-5801

801-359-3940 (Fax)

801-538-5319 (TDD)

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: 5-6-97

FAX # 355-0922

ATTN: ED BONNER

COMPANY: TRUST LANDS

FROM: LISHA CORDOVA

DEPARTMENT: OIL & GAS

NUMBER OF PAGES BEING SENT (INCLUDING THIS ONE): 3

If you do not receive all of the pages, or if they are illegible, please call (801) 538-

We are sending from a Sharp facsimile machine. Our telecopier number is (801) 359-3940.

MESSAGES:

ML-22161/11-29 SEC. 29, T. 9S, R. 24E (43-047-31617)

ML-11124/32-2 SEC. 32, T. 8S, R. 25E (43-047-30100)

ML-28042/31-15A SEC. 15, T. 9S, R. 24E (43-047-31726)

*BONDING

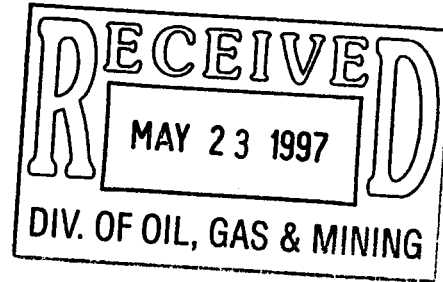
Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 3394
Billings, MT 59103-3394

(406) 245-5077
FAX 248-6321

Shipping Address:
100 North 27th Street
Suite 650
Billings, MT 59101



May 21, 1997

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

RE: CHANGE OF OPERATOR SUNDRY NOTICES
UINTAH COUNTY, UTAH

Gentlemen:

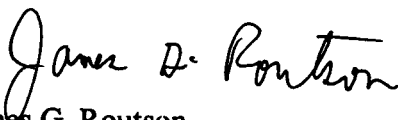
Enclosed in duplicate are Sundry Notices for three wells on State lands for which Lone Mountain Production Company has assumed operations effective March 3, 1997 with the termination of the Dirty Devil Unit.

Please contact Joe Dyk in our Grand Junction office in regard to field operations. Day to day operations will be handled by Dick White, who is based in Rangely, Colorado. He can be reached at (970) 675-2418 (home) or (801) 790-5418 (cell phone).

If further information is needed please advise.

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY


James G. Routson
President

Enclosures

cc: Joe Dyk

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS <small>(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)</small>		2. LEASE DESIGNATION & SERIAL NO. <u>ML-22161</u>
1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR <u>Lone Mountain Production Company</u>		7. UNIT AGREEMENT NAME <u>Dirty Devil</u>
3. ADDRESS OF OPERATOR <u>P. O. Box 3394, Billings, Montana 59103 (406) 245-5077</u>		9. WELL NO. <u>State No. 11-29</u>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) <u>At surface 505' FNL, 815' FWL Section 29: T9S-R24E</u> At proposed prod. zone <u>Same</u>		10. FIELD AND POOL, OR WILDCAT <u>Wildcat</u> 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <u>NWNW Sec. 29-T9S-R24E</u>
14. API NO. <u>43-047-31617</u>	15. ELEVATIONS (Show whether DF, RT, GR, etc.)	12. COUNTY <u>Uintah</u>
		13. STATE <u>Utah</u>

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Change of Operator</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	
APPROX. DATE WORK WILL START _____		DATE OF COMPLETION _____	

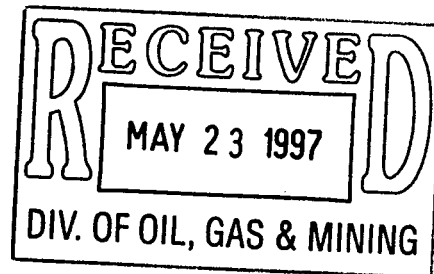
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

* Must be accompanied by a cement verification report.

Lone Mountain Production Company assumed operations of the above referenced well effective March 3, 1997 with the termination of the Dirty Devil Unit.

Bond coverage is provided by Lone Mountain's Statewide Oil & Gas BLM Bond #UT0719.

Field Operations will be handled by our Grand Junction office.



18. I hereby certify that the foregoing is true and correct:

SIGNED <u>[Signature]</u>	TITLE <u>President</u>	DATE <u>May 21, 1997</u>
<small>(This space for Federal or State office use)</small>		
APPROVED BY _____	TITLE _____	DATE _____
CONDITIONS OF APPROVAL, IF ANY:		

See Instructions On Reverse Side

DOGM SPEED LETTER

To: Ed Bonner

From: Don Staley

School & Institutional Trust

Division of Oil, Gas & Mining

Lands Administration

Subject: Operator Change

MESSAGE

Date 6/13 19 97

Ed,

For your information, attached are copies of documents regarding an operator change on a state lease(s)

These companies have complied with our requirments. Our records have been updated. Bonding should be reviewed by your agency ASAP.

Former Operator: Gerrity Oil and Gas Corp (N6355)

New Operator: Lone Mountain Production Co (N7210)

Well(s):	API:	Entity:	S-T-R:	Lease:
Dirty Devil U 11-29	43-047-31617	09586	29-9S-24E	ML22161
Conoco State 32-2	43-047-30100	10096	32-8S-25E	ML11124
Dirty Devil 31-15A	43-047-31726	10697	15-9S-24E	ML28042

cc: Operator File

Signed

Don Staley

REPLY

Date _____ 19 ____

Signed _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals</small>		6. Lease Designation and Serial Number ML-22161	
		7. Indian Allottee or Tribe Name	
		8. Unit or Communitization Agreement Dirty Devil	
		9. Well Name and Number Dirty Devil 11-29	
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) _____		10. API Well Number 43-047-31617	
2. Name of Operator Lone Mountain Production Co.		11. Field and Pool, or Wildcat Wildcat	
3. Address of Operator P. O. Box 3394 Billings MT 59103		4. Telephone Number 406/245-5077	
5. Location of Well Footage : 505' FNL & 815' FWL County : Uintah QQ, Sec, T., R., M. : NWNW Sec. 29-T9S-R24E State : Utah			
12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> other <u>Change of Operator</u> | |

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please be advised that Lone Mountain Production Co. is considered to be the operator of the Dirty Devil #11-29, NWNW Section 29, Township 9 South, Range 24 East, Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.

Bond coverage is provided by Lone Mountain Production Co.'s statewide oil and gas bond. Field operations will be handled by Lone Mountain's Grand Junction, CO office.

14. I hereby certify that the foregoing is true and correct

Name & Signature James E. Routson

Lone Mountain Production Co.

Title President Date 07/19/96

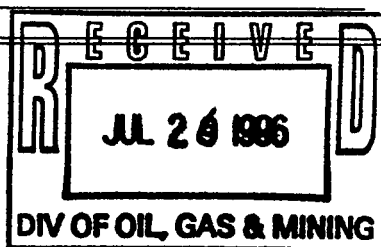
14. I hereby certify that the foregoing is true and correct

Name & Signature Terry L. Rupy

Gerrity Oil & Gas Corporation

Title Vice President Date 07/19/96

(State Use Only)



OPERATOR CHANGE WORKSHEET

Attach all documentation received by the division regarding this change.

Initial each listed item when completed. Write N/A if item is not applicable.

1-EC	6-TR
2-GLH	7-KAS
3-DTS	8-SI
4-VLD	9-FLE
5-JRB	

☒ Change of Operator (well sold)☐ Designation of Agent☐ Designation of Operator☐ Operator Name Change OnlyThe operator of the well(s) listed below has changed, effective: 3-3-97

TO: (new operator) LONE MTN PRODUCTION CO
 (address) PO BOX 3394
BILLINGS MT 59103-3394
JAMES ROUTSON
 Phone: (406) 245-5077
 Account no. N7210

FROM: (old operator) GERRITY OIL & GAS CORP.
 (address) 1625 BROADWAY STE 2000
DENVER CO 80202-4720
JENNIFER CARTER
 Phone: (303) 389-3600
 Account no. N6355

WELL(S) attach additional page if needed:

Name: <u>DIRTY DEVIL U 11-29</u>	API: <u>43-047-31617</u>	Entity: <u>9586</u>	S <u>29</u>	T <u>9S</u>	R <u>24E</u>	Lease: <u>ML22161</u>
Name: <u>CONOCO ST 32-2</u>	API: <u>43-047-30100</u>	Entity: <u>10096</u>	S <u>32</u>	T <u>8S</u>	R <u>25E</u>	Lease: <u>ML11124</u>
Name: <u>DIRTY DEVIL 31-15A</u>	API: <u>43-047-31726</u>	Entity: <u>10697</u>	S <u>15</u>	T <u>9S</u>	R <u>24E</u>	Lease: <u>ML28042</u>
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____
Name: _____	API: _____	Entity: _____	S _____	T _____	R _____	Lease: _____

OPERATOR CHANGE DOCUMENTATION

- LC 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). (7-26-96)
- LC 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). (7-26-96)(5-23-97)
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company **registered with the state?** (yes/no) ____ If yes, show company file number: _____
- N/A 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of **steps 5 through 9** below.
- LC 5. Changes have been entered in the **Oil and Gas Information System** (3270) for each well listed above. (6-6-97)
- LC 6. **Cardex** file has been updated for each well listed above. (6-6-97)
- LC 7. Well **file labels** have been updated for each well listed above. (6-6-97)
- LC 8. Changes have been included on the monthly "Operator, Address, and Account Changes" **memo** for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. (6-6-97)
- LC 9. A folder has been set up for the **Operator Change file**, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) ____ If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY) Trust Lands / Bond ext. in progress, OK per E. Bonner.

- Yes 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond. 80,000 10LOC "First Bank of MT"
- N/A 2. A copy of this form has been placed in the new and former operator's bond files.
- N/A 3. The FORMER operator has requested a release of liability from their bond (yes/no) ____, as of today's date _____. If yes, division response was made to this request by letter dated _____.

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- DTs 1. Copies of documents have been sent on 6/13/97 to Ed Bonner at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- N/A 2. (r649-2-10) The former operator of any fee lease wells listed above has been contacted and informed by letter dated _____ 19 ____, of their responsibility to notify all interest owners of this change.

FILMING

- Yes 1. All attachments to this form have been microfilmed. Today's date: 6.20.97.

FILING

- ____ 1. Copies of all attachments to this form have been filed in each well file.
- ____ 2. The original of this form, and the original attachments are now being filed in the Operator Change file.

COMMENTS

970606 Trust Lands, bond ok "1 yr. ext. in progress"

LONE MOUNTAIN PRODUCTION COMPANY

Mailing Address:
P.O. Box 80965
Billings, MT 59108-0965

(406) 245-5077
FAX 248-6321

Shipping Address:
1911 King Avenue West
Billings, MT 59102

December 23, 2002

RECEIVED

State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

DIV. OF OIL, GAS & MINING

Attn: Jim Thompson

RE: RESIGNATION OF OPERATOR
VARIOUS WELLS
UINTAH COUNTY, UTAH

Dear Jim:

Please be advised Lone Mountain Production Company resigns as Operator of the following wells in Uintah County, Utah, effective December 1, 2002.

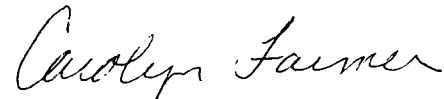
Federal #41-9	43-047-30339	NE NE Section 9: T9S-R24E
State #31-15A	43-047-31726	NW NE Section 15: T9S-R24E
Federal #23-17	43-047-30568	NE SW Section 17: T9S-R24E
Federal #1-18	43-047-30124	NW NE Section 18: T9S-R24E
Federal #23-20	43-047-31009	NE SW Section 20: T9S-R24E
State #11-29	43-047-31617	NW NW Section 29: T9S-R24E

All future correspondence should be directed to Byron R. Woodard, Dark Horse Exploration, Inc., P. O. Box 2153, Evanston, Wyoming 82931-2153. His phone number is (307) 789-1052.

Should you have any questions or need further information, please contact our office at (406) 245-5077.

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY



Carolyn (George) Farmer
Land Department

ASSIGNMENT AND BILL OF SALE

This Assignment ("the Assignment"), dated effective December 1, 2002, (the "Effective Date"), by and between Lone Mountain Production Company, whose mailing address is P. O. Box 80965, Billings, Montana 59108, (hereinafter called "Assignor"), and Dark Horse Exploration, Inc., whose address is P. O. Box 2153, Evanston, Wyoming 82931, (hereinafter called "Assignee").

WITNESSETH:

Assignor, for and in consideration of the sum of One Hundred Dollars (\$100.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, CONVEYED, ASSIGNED and DELIVERED, and by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN and DELIVER, the Properties unto Assignee. The term "Properties" shall mean all of Assignor's right, title and interest in and to all of the following:

- (a) The oil, gas, mineral lease(s) and other interests in oil and gas as described on Exhibit "A," attached hereto and made a part hereof, and all rights, privileges and obligations appurtenant to the leases INsofar AND ONLY INsofar AS the leases cover and include the lands, depths, and rights as described on Exhibit "A," attached thereto and made a part thereof, (the "Leases");
- (b) All oil, gas and condensate wells (whether producing, not producing, or abandoned), water source, water injection and other injection or disposal wells as listed on Exhibit "A," attached hereto and made a part hereof, (the "Wells") and/or located on the Leases or lands unitized or pooled with the Leases;
- (c) All equipment, facilities and other personal property on the Leases used in developing or operating the Leases, or producing, treating, storing, compressing, processing or transporting hydrocarbons on or from the Lease;
- (d) All easements, rights-of-way, licenses, permits, servitude and similar interest applicable to or used in operating the Leases or the personal property described above, to the extent they are assignable or transferable and subject to any consents to assignment to transfer to which they may be subject;
- (e) All contracts and contractual rights, obligations, and interests relating to the Leases, including without limitation, lease purchase option agreements, farmout agreements, farmin agreements, operating agreements, hydrocarbon sales, purchase, gathering, transportation, treating, marketing, exchange, processing and fractionating agreements;
- (f) All natural gas, casinghead gas, drip gasoline, natural gasoline, natural gas liquids, condensate, products, crude oil and other hydrocarbons, whether gaseous or liquid, produced from or allocable to the Properties after the Effective Date, or sold on or after the Effective Date (the "Hydrocarbons"); and
- (g) All merchantable oil, gas, condensate and distillate, if any, produced from the Properties before the Effective Date and stored above the pipeline connections in Lease stock tanks on the Effective Date.

This Assignment is made expressly subject to, and Assignee's rights, are governed by any oil and gas lease or other instruments of record affecting the lands as described on Exhibit "A," attached hereto and made a part hereof.

To have and to hold same unto Assignee, its successors and assigns, subject to the terms and provisions herein. This Assignment and Bill of Sale is made on an "AS IS, WHERE IS" basis and "WITH ALL FAULTS", and

WITHOUT WARRANTIES WHATSOEVER WITH RESPECT TO ANY INTEREST HEREIN CONVEYED, EITHER EXPRESS OR IMPLIED, it being expressly agreed by Assignor and Assignee that ASSIGNOR MAKES NO WARRANTIES OR REPRESENTATION WITH RESPECT TO ORIGIN, QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, SAFETY OF EQUIPMENT, COMPLIANCE WITH GOVERNMENTAL REGULATIONS, TITLE TO PERSONAL PROPERTY, THE QUANTITY, VALUE OR EXISTENCE OF RESERVES OF OIL, GAS, OR OTHER MINERALS PRODUCIBLE OR RECOVERABLE FROM THE ASSIGNED PREMISES, OR OF TITLE TO OR CONDITION OF THE ASSIGNED PREMISES AND RELATED FIXTURES AND IMPROVEMENTS. All descriptions set forth herein and all information heretofore or hereafter furnished Assignee by Assignor concerning the assigned premises, wells and personal property, and the operation thereof, have been and shall be furnished solely for Assignee's convenience and have not constituted and shall not constitute a representation or warranty of any kind by Assignor, and any reliance thereupon by Assignee shall be at Assignee's sole risk and liability.

Assignor and Assignee acknowledge that neither has incurred any liability, contingent or otherwise, for broker's, finder's or other third party fees relating to this Assignment for which the other shall have responsibility. All fees, costs and expenses incurred by Assignor or Assignee relating to this Assignment shall be paid by the party incurring same. All recording and transfer fees shall be paid by Assignee.

Assignee agrees to protect, indemnify and hold Assignor harmless from and against any and all liability, loss, damage, injury, claims, demands and causes of action therefor asserted or filed after the effective date hereof in any arising from operations or activities related to the Assigned premises, wells and personal property and the contracts and agreements appertaining thereto including, but not limited to acts or omissions of Assignor, based upon any theory of negligence, will misconduct, liability without fault or other.

Assignee shall assume all risk, liability, obligation and loss in connection with, and shall defend, indemnify and save and hold harmless Assignor, its affiliates, employees, agents, successors and assigns forever from and against all losses incurred in connection with any Environmental Matter. "Environmental Matter" shall mean the following matters arising in connection with the subject property regardless of whether incurred with respect to events occurring prior to or after the effective date hereof: i) the violation of, and compliance with the past, present and future laws relating to environmental matters, including environmental laws and common law; ii) remediation and restoration of the subject property, including, without limitation, plugging and abandonment and remediation of well sites; iii) any and all claims arising from the presence of Naturally Occurring Radioactive Materials (NORM); iv) laws relating to public health or employee health and safety; and v) damage to persons or property on account of pollutants.


This Assignment hereof shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

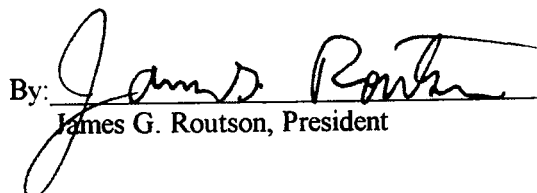
EXECUTED on the 9th day of DECEMBER, 2002, but effective for all purposes as of the Effective Date.

ASSIGNOR:

LONE MOUNTAIN PRODUCTION COMPANY

ATTEST:


Judy K. Rice, Secretary

By: 
James G. Routson, President

DARK HORSE EXPLORATION, INC.

By: Byron R. Woodard
Byron R. Woodard, President & CEO

STATE OF MONTANA)
)
) ss.
COUNTY OF YELLOWSTONE)

WITNESS my hand and official seal.

Carolyn F. George
 CAROLYN F. GEORGE
 NOTARY PUBLIC for the State of Montana
 Residing at P. O. Box 80965, Billings, Montana 59108
 My Commission Expires: October 20, 2003

STATE OF WYOMING)
)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 19th day of December, 2002, by Byron R. Woodard, President & CEO of Darkhorse Exploration, Inc.

WITNESS my hand and official seal.

(SEAL)
DAWNE MORPHEW NOTARY PUBLIC
COUNTY OF _____ STATE OF WYOMING
MY COMMISSION EXPIRES APRIL 4, 2008

Dawn Morpheu
NOTARY PUBLIC
Residing at Granston Wyo.
My Commission Expires: April 4, 2006

EXHIBIT "A"

Attached and made a part of that certain Assignment and Bill of Sale, dated effective December 1, 2002, by and between Lone Mountain Production Company, Assignor, and Dark Horse Exploration, Inc., Assignee.

LEASES

<u>Lessor</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Land Description</u>
Lease #U-0145459	Jack A. Dubel	4/1/66	<u>Township 9 South, Range 24 East, S.L.M.</u> Section 7: SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 8: W $\frac{1}{2}$ SW $\frac{1}{4}$ Section 17: W $\frac{1}{2}$ NW $\frac{1}{4}$ Section 18: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ Uintah County, Utah
Lease #U-5217	Roy G. Stouffer	3/1/68	<u>Township 9 South, Range 24 East, S.L.M.</u> Section 9: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ Uintah County, Utah
Lease #U-31266	Ira S. Lipkin	11/1/75	<u>Township 9 South, Range 24 East, S.L.M.</u> Section 17: S $\frac{1}{2}$ Section 19: All Section 20: All Uintah County, Utah
Lease #ML-22161	John H. Morgan Jr.	1/1/65	<u>Township 9 South, Range 24 East, S.L.M.</u> Section 29: W $\frac{1}{2}$ Uintah County, Utah
Lease #ML-28042	Raymond Chorney	2/1/72	<u>Township 9 South, Range 24 East, S.L.M.</u> Section 15: Lots 1, 2, 3, 4, N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ Uintah County, Utah

WELLS

Federal #1-18
Federal #41-9
Federal #23-17
Federal #23-20
State #11-29
State #31-15A

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

Dark Horse Exploration, Inc.

3. Address and Telephone Number:

P. O. Box 2153, Evanston, Wyoming 82931-2153

4. Location of Well

Footages: 505' FNL, 815' FWL

CO, Sec., T., R., M.: NWNW Section 29: T9S-R24E

5. Lease Designation and Serial Number:

ML-22161

6. If Indian, Alutian, or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

State No. 11-29

9. API Well Number:

43-047-31617

10. Field and Pool, or Wildcat

Wildcat

County: Uintah

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT (Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Change of Operator</u> | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

• Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Dark Horse Exploration, Inc. has assumed operation of the above referenced well, effective December 1, 2002. The former operator was Lone Mountain Production Company.

Bond coverage is provided by Dark Horse Exploration's well bond # 0008

RECEIVED

JAN 03 2003

DIV. OF OIL, GAS & MINING

13.

Name & Signature:

Byron R. Woodard
Byron R. Woodard

Title: President/CEO

Date: 12-15-02

(This space for State use only)

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/26/2002
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 01/03/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 01/30/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 4820055-0143
5. If **NO**, the operator was contacted contacted on:

6. (R649-9-2) Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: N/A

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 01/30/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 01/30/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: 0007-0008

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: N/A

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161
2. NAME OF OPERATOR: Thurston Energy Operating Company, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 240 CITY Vernal STATE UT ZIP 84078 PHONE NUMBER: (435) 789-2653		7. UNIT or CA AGREEMENT NAME: Dirty Devil
4. LOCATION OF WELL FOOTAGES AT SURFACE: 505' FNL & 815' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 29 9S 24E		8. WELL NAME and NUMBER: Dirty Devil 11-29
		9. API NUMBER: 4304731617
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that Thurston Energy Operating Company, LLC is assuming operations of the Dirty Devil #11-29, NWNW Section 29, Township 9 South, Range 24 East, Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the lands.

Bond coverage is provided by Thurston Energy Operating Company's oil and gas bond #0269434510.

NAME (PLEASE PRINT)

Ralph Curton Jr

TITLE

Resident

SIGNATURE

Ralph Curton Jr

DATE

6/8/2005

(This space for State use only)

RECEIVED

JUN 13 2005

APPROVED *8/24/2005*

(5/2000)

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

DEPT. OF OIL, GAS & MINING

THURSTON ENERGY OPERATING COMPANY, LLC

SELF-CERTIFICATION STATEMENT

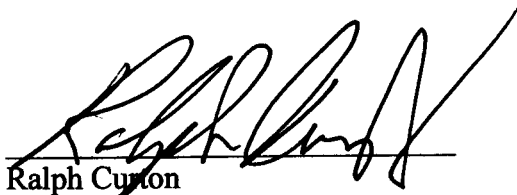
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Thurston Energy Operating Company, LLC are considered to be the operator of the following well.

Dirty Devil No. 11-29
NW ¼, NW ¼, Section 29, T9S, R24E
Lease ML-22161
Uintah County, Utah

Thurston Energy Operating Company, LLC is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage is provided by Thurston Energy Operating Company's oil and gas bond #0269434510.



Ralph Curton
President

Thurston Energy Operating Company, LLC
PO Box 240
Vernal, UT 84078
(214) 704-3896 Cell
(214) 849-5501 Fax
rcurton@att.net

Dear Arleen Russell

Dark Horse Exploration is the Lease holder for 31-15A and 11-29 located south of Vernal Utah. We do not agree to change Operator ship to anyone.

As for are Federal leases 1-18, 23-17, 23-20, and 41-9 located south of Vernal Utah. We do not agree to change operator ship to anyone.

Thank you,
Byron R Woodard
CEO
Dark Horse Exploration Inc.

RECEIVED

JUN 14 2005

DESIGNATION OF OPERATOR

The undersigned is, on the records of the School and Institutional Trust Lands Administration, holder of lease, ML 22161

And hereby designates:

NAME: Thurston Energy Operating Company, LLC

ADDRESS: PO Box 240
Vernal, UT 84078

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Administration or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Dirty Devil 11-29
NW NW, Section 29, T9S R24E
Uintah County, UT

Operator agrees to comply with all lease provisions, statutes, rules, and regulations, whether federal, state, or local, in its operations on the subject lease.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Trust Lands Administration or his representative.

The lessee agrees promptly to notify the Trust Lands Administration of any change in the designated operator.

August 1, 2005
Date

August 1, 2005
Date

[Signature] Resident
Signature of Lessee
Thurston Energy LLC
2754 N Hwy 40 Vernal UT 84078
Address
[Signature]
Signature of Operator
Thurston Energy Operating Company LLC

RECEIVED

AUG 02 2005

DIV. OF OIL, GAS & MINING



Jon M. Huntsman, Jr.
Governor
Kevin S. Carter
Director

State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

August 17, 2005

Certified Mail, Return Receipt Requested
Receipt No. 7004 0550 0000 1734 2075

Dark Horse Exploration, Inc.
P.O. Box 2153
Evanston, Wyoming 82931-2153

Attn. Byron R. Woodard

Re: Approval of Change of Operator for ML 28042 (Dirty Devil 31-15A Well)
and ML 22161 (Dirty Devil 11-29 Well)

Gentlemen:

The School and Institutional Trust Lands Administration (the "Trust Lands Administration") is in receipt of correspondence dated June 9, 2005 on behalf of Thurston Energy, Inc. ("Thurston") removing Dark Horse Exploration, Inc. ("Dark Horse") as operator of the above-referenced state oil and gas leases and associated wells, in accordance with an Operating Agreement between the parties dated as of May 1, 2003. Thurston has filed Designation of Operator forms with the Trust Lands Administration designating Thurston Energy Operating Company, LLC ("Thurston Operating") as the replacement operator for these leases/wells, and has filed all required bonding with respect to the wells.

The U.S. Bureau of Land Management, Vernal Field Office ("BLM") has approved Thurston Operating as replacement operator for adjacent federal wells. In part, this determination was based upon significant operational and environmental problems associated with the federal wells. The Trust Lands Administration has been provided with information that indicates that these problems extend to the wells located on the above-referenced state leases. The Trust Lands Administration concurs with BLM that a change in operator would enhance operations on the leases, which in the case of the state leases would be in the best interests of the trust beneficiaries.

The Trust Lands Administration hereby accepts Thurston Operating as replacement operator for the above referenced leases/wells, and consents to the replacement of Dark Horse by Thurston Operating as designated operator in the records of the Utah Division of Oil, Gas & Mining. This acceptance is without waiver of any claims that the Trust Lands Administration may have against Dark Horse with respect to environmental damages, unpaid royalties, or other causes.

Utah!
Where ideas connect™

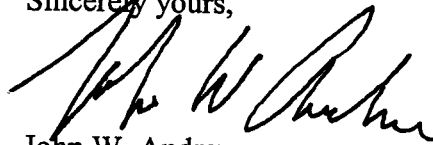
RECEIVED
AUG 19 2005

DIV. OF OIL, GAS & MINING

Dark Horse Exploration, Inc.
ML 28042, ML 22161
August 17, 2005
Page -2-

This letter constitutes final agency action pursuant to *Utah Administrative Code* R850-8-900. This decision may be appealed by following the requirements of *Utah Administrative Code* R850-8-800 and R850-8-1000 (enclosed) for filing a petition requesting review of this action by the Trust Lands Administration's Board of Trustees. A petition for review must be filed within fourteen (14) days of the mailing date of this letter. In the event that a petition meeting the requirements of R850-8-800 and R850-8-1000 is not filed at the office of the director by 5:00 p.m. on Wednesday, August 31, 2005, this final decision will become unappealable.

Sincerely yours,



John W. Andrews
Associate Director

Enclosure

Cc: ~~Thurston~~ Energy Operating Company, LLC
UDOGM
Vernal Field Office, BLM
LaVonne Garrison, SITLA
Ed Bonner, SITLA

3. FILE

Designation of Agent/Operator

Merger

6/15/2005

TO: (New Operator):
N2790-Thurston Energy Operating Co LLC
PO Box 240
Vernal, UT 84078

Phone: 1-(435) 789-2653

Unit:

WELL(S)

[illegible]

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: See Note
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 6/14/2005
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/7/2005
4. Is the new operator registered in the State of Utah: YES Business Number: 5917957-0161
5. If **NO**, the operator was contacted contacted on:
- 6a. (R649-9-2)Waste Management Plan has been received on: _____ requested 7/29/05
- 6b. Inspections of LA PA state/fee well sites complete on: n/a

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 8/24/2005
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 8/24/2005
3. Bond information entered in RBDMS on: n/a
4. Fee/State wells attached to bond in RBDMS on: n/a
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: n/a

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond Number 269434510
2. The FORMER operator has requested a release of liability from their bond on: not yet
The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The FORMER operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

"Trust Lands Administration concurs with BLM that a change in operator would enhance operations on leases, which in the case of the state leases would be in the best interests of the trust beneficiaries." BLM approved operator change per rule 43 CFR 3161.2 "After a review by this office, it has been determined that the leases are owned equally by Thurston and Dark Horse. When, as here, **ownership of the lease is equally held**, BLM has discretion to choose an operator that it deems best able to conduct operations in conformance with this policy."

THURSTON ENERGY OPERATING COMPANY
P. O. Box 240
Vernal, Utah 84078

November 8, 2005

T09S R24E S-29
43047-31617

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

ATTN: Carol Daniels

Carol,

Please find enclosed the following logs.

~~Dirty Devil 11-29~~

Formation Evaluation for Stimulation

~~Dirty Devil 23-20~~

Formation Evaluation for Stimulation

Thermal Multigate Decay Lithology

~~Dirty Devil 31-15a~~

Formation Evaluation for Stimulation

Thermal Multigate Decay Lithology

These logs are being submitted to bring Thurston Energy Operating Company into compliance with State of Utah regulations. Please advise if there is further information that you require.

Sincerely,



Will Curton
Consultant

RECEIVED
NOV 09 2005
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 3, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6213

Mr. Ralph Curton Jr.
Thurston Energy Operating Company, LLC
PO Box 240
Vernal, UT 84078

9S 24E 29

Re: Dirty Devil 31-15A API# 43-047-31726 & Dirty Devil Unit 11-29 API# 43-047-31617
Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases

Dear Mr. Curton:

Thurston Energy Operating Company, LLC ("Thurston") has two (2) State Mineral Lease Wells (see attachment A) currently in non-compliance for extended shut-in and temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is the second notice of non-compliance that Thurston has received for the Dirty Devil 31-15A well (well 1 on Attachment A). The Division also notified the previous operator, Dark Horse Exploration, on April 16, 2004, by certified mail about this wells non-compliance issue. Please submit your plans to produce or plug this well. If this is not addressed within 30 days, a Notice of Violation will be issued for this well. Also, please submit your plans to produce or plug the Dirty Devil Unit 11-29 well.

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)



Page 2
September 3, 2008
Mr. Curton

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Jim Davis, SITLA
Operator Compliance File
Wells File

Attachment A

	Well Name	API	Lease Type	Years Inactive
1	Dirty Devil 31-15A	43-047-31726	State	4 Years 2 Months
2	Dirty Devil Unit 11-29	43-047-31617	ML-22161	1 Year 9 Months



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 25, 2009

CERTIFIED MAIL NO.: 7005 0390 0000 7507 4252

Mr. Ralph Curton Jr.
Thurston Energy Operating Company, LLC
1222 Yates Dr.
Longview, TX 75601-4667

9S 24E 29

Subject: **SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases** Dirty Devil Unit 11-29 API# 43-047-31617

Dear Mr. Curton:

Thurston Energy Operating Company, LLC ("Thurston") has one (1) State Mineral Lease Well (see attachment A) currently in non-compliance for extended shut-in and temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is the second notice of non-compliance that Thurston has received for the Dirty Devil Unit 11-29 well. On September 3, 2008 via certified mail the first notice was sent requesting required information to bring the well back into compliance. To date the Division has not seen any correspondence from Thurston addressing this matter.

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)



Page 2

Thurston Energy Operating Company, LLC

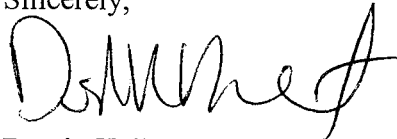
February 25, 2009

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, a notice of violation will be issued. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP/js

Enclosure

cc: Jim Davis, SITLA
Operator Compliance File
Wells File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

Attachment A

	Well Name	API	Lease Type	Years Inactive
	Dirty Devil Unit 11-29	43-047-31617	ML-22161	2 Years 2 Months



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 6, 2010

Certified Mail No.: 7004 1160 0003 0190 3959

Mr. Tom S. Salk
Thurston Energy Operating
4925 Greenville Avenue, Suite 900
Dallas, TX 75206

43 047 31617
Dirty Devil Unit 11-29
9S 24E 29

Subject: Royalty Owner Complaint

Dear Mr. Salk:

As you are well aware, Mr. Garr Roberts filed a complaint with the Utah Division of Oil, Gas and Mining (the Division) on February 16, 2010, against Thurston Energy Operating (Thurston) for royalty payments he is due for production from the Red Wash 1-18, Devils Playground 41-9, Devils Playground 23-17, Dirty Devil Federal 23-20 and Dirty Devil Unit wells for the years 2005 and 2006.

A search of Division records verified Thurston reported production and sales for these wells for the subject time period.

I spoke with you regarding this matter on February 22, 2010. At your request, I sent you an e-mail detailing the complaint that also included a contact number for Mr. Roberts. The Division requested in the e-mail that Thurston resolve this royalty matter with Mr. Roberts.

I re-discussed this matter with you on March 23, 2010. You stated, at that time, someone from Thurston would contact Mr. Roberts to resolve this matter. In addition, you stated there were funds in suspense from the sales in 2005 and 2006.

Thurston is required by Utah Statute that oil and gas proceeds derived from the sale of production from any well producing oil or gas in the state shall be paid to any person legally entitled (40-6-9(1)(a)) and the payment shall be made directly to the person entitled to the payment by the payor (40-6-9(b)). Also, if accrued payments cannot be made within specified

Page 2

Thurston Energy Operating – Royalty Complaint
April 6, 2010

time limits the payor shall deposit all oil and gas proceeds credited to the eventual oil and gas owner to an escrow account in a federally insured bank or savings and loan institution using a standard escrow document form (40-6-9(b)(i)) and the deposit shall earn interest at the highest rate being offered by that institution for the amount and term of similar demand deposits (40-6-9(b)(ii)).

As of today, Thurston has still not contacted Mr. Roberts to make a good faith effort to resolve his royalty complaint. I recommend Thurston contact Mr. Roberts as soon as possible to resolve this matter before the Division is forced to take further action.

Should you need assistance from the Division regarding this matter feel free to contact me at 801-538-5280 or clintondworshak@utah.gov.

Sincerely,




Clinton Dworshak
Compliance Manager

CLD/js

cc: Mr. Garr Roberts
Enforcement File
Well Files

N:\O&G Reviewed Docs\ChronFile\Enforcement

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1638 West 560 Sout , Vernal, UT, 84078		8. WELL NAME and NUMBER: DIRTY DEVIL UNIT 11-29
PHONE NUMBER: 214 704-3896 Ext		9. API NUMBER: 43047316170000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0505 FNL 0815 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 29 Township: 09.0S Range: 24.0E Meridian: S		9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 7/6/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Move rig on hole July 6, 2010, POOH w/pump located @ 6,505' +/-, run wireline gauge ring, CBL test casing, if good RIH w/new pump and set at same location as previous pump at approximately 6505' +/- . Remove well from SI status and put to production. Bond Coverage is provided by Thurston Energy Operating Company oil and gas bond #0269434510		
Approved by the Utah Division of Oil, Gas and Mining		Date: July 01, 2010 By: 
NAME (PLEASE PRINT) Thomas Salk		PHONE NUMBER 323 251-8819
SIGNATURE N/A		TITLE COO DATE 6/29/2010

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: 1638 West 560 Sout , Vernal, UT, 84078		8. WELL NAME and NUMBER: DIRTY DEVIL UNIT 11-29			
PHONE NUMBER: 214 704-3896 Ext		9. API NUMBER: 43047316170000			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0505 FNL 0815 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 29 Township: 09.0S Range: 24.0E Meridian: S		9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND			
COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/27/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input checked="" type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input checked="" type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input checked="" type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. We propose to hook up a gas venting line downstream of the gas flow meter as a safety precaution while preparing for work-over operations. The reasons are as follows: 1) The well has a 1500 psi CWP stuffing box on the wellhead 2) The well has been seen recently (6/25/10) with 1400 psi on the wellhead 3) The well and the pump has been inactive since 12/01/06 (well is currently in Shut-in status). 4) The condition of the packing inside the stuffing box is unknown at this time.					
NAME (PLEASE PRINT) Thomas Salk		PHONE NUMBER 323 251-8819			
SIGNATURE N/A		TITLE COO			
DATE 6/25/2010		FOR RECORD ONLY July 01, 2010			

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161
2. NAME OF OPERATOR: Thurston Energy Operating Company, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 4925 Greenville Ave, Ste 900 CITY Dallas STATE TX ZIP 75225		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 505' FNL & 815' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 29 9S 24E		8. WELL NAME and NUMBER: Dirty Devil 11-29
PHONE NUMBER: (214) 704-3896		9. API NUMBER: 4304731617
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Response to 2nd notice
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

RESPONSE TO SECOND NOTICE dated Feb. 15, 2009

REASON FOR SI/TA OF THE WELL - The down hole pump on the subject well failed. The operator has not had the funds to replace the pump.

LENGTH OF TIME THE WELL WILL BE SI - A new source of funding has been found and the well should be placed on production in less than 90 days.

SHOW THE WELL HAS INTEGRITY - Please find attached a new well bore diagram. The casing will be pressure tested from the top most perforations to the surface when the pump is pulled. The current pressure on the tbg is 350 psi and the current pressure on the csg is 350 psi. Static fluid level will be recorded when the pump is changed.

RECEIVED

FEB 09 2010

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Bill Ryan	TITLE Agent
SIGNATURE <i>William A. Ryan</i> (435) 789-10968	DATE 2/5/2010

(This space for State use only)

(5/2000)

(See Instructions on Reverse Side)

COPY SENT TO OPERATOR

Date: 8.5.2010

Initials: KS

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 7/21/10
By: *[Signature]*

* Requested 90 days has expired

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
Thurston Energy Operating Company

3. ADDRESS OF OPERATOR:
4925 Greenville Ave. Suite 91 CITY Dallas STATE TX ZIP 75206

PHONE NUMBER:
(435) 789-8580

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 505 FNL 815 FWL

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 29 T9S R24

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 22161

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Dirty Devil 11-29

9. API NUMBER:
4304731617

10. FIELD AND POOL, OR WILDCAT:
Devil's Playground

COUNTY: Uintah

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 8/7/2010	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: pump chg and well testing
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Daily progress on well work over attached

NAME (PLEASE PRINT) Patti Cox

TITLE Business Manager

SIGNATURE

Patti Cox

DATE 8/13/2010

(This space for State use only)

RECEIVED

AUG 17 2010

DIV. OF OIL, GAS & MINING

string. Inspect rods & boxes while TIH.

1 ea. Rod pump 2 x 1.5 x 16

4 ea. weight bars

111 ea. 7/8" rods

84 ea. 3/4" rods

60 ea. 7/8" rods

1 ea. 7/8" 8' pony rod

1 ea. 7/8" 6' pony rod

1 ea. 7/8" 2' pony rod

1 ea. 1.5" Polish rod

Replaced 22 ea. 3/4" boxes

5 ea. 7/8" boxes

2 ea. 7/8" rods

1 ea. box of packing seals.

PU. space out and land polish rod, PU head and land same.

Dress stuffing box with new seals. SWFIN

Wait On Daylight

8/7/2010 Wait on daylight, crew travel, start WSU, Safety meeting

RU and psi test Rod Pump to 500 psi. Rig to pump rods to 500 psi.

EOT @ 6489.57', Seat Nipple @ 6484.84'

See attachment for Tubing tally and Pump Spec's.

RDMO WSU, Move All Assy. Items to the DD-31-15

Evan the pumper started pump jack and pumped fluid to the production tank. -adjusted bridle, Pump ok.

Finish moving frac tanks and kill fluid to the DD-31-15

Well shut in until pipe line is completed. End Open well reports except for costing updates.

flowing-8/64 choke-2.97 mcf/hr

Tubing very slight blow, RD swab flow T, Pull on joint back to 199
its in, EOT at 6489.57' (top perf @ 6487') As per Bill & Theron.

Continuing to flow thru separator.

Swabbing tubing, Casing psi 90 psi 2.62 mcf/hr 40 psi Separator psi

Swabbing tubing, Casing psi 90 psi 2.18 mcf/hr 34 psi Separator psi

Swabbing tubing, Casing psi 90 psi but can't keep separator psi

(28 psi) high enough to keep Hi-low valve open, close in Casing

and continue swabbing tubing. See swab report below.

Swab run # fluid level pull depth BBLs/run BBLs total/day

#1 3500' 5300' 9.1 9.1

#2 2500' 4000' 6.5 15.6

#3 4200' 6300' 7.9 23.5

#4 4400' 6300' 6.4 29.9

#5 4000' 6300' 2.6 32.5

#6 3800' 6300' 3.9 36.4

bbbls total

SWIFN-Casing psi 140, Cum Gas volume for the day

62MCF-Wait on daylight

8/6/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Tubing psi 1580, Casing psi 710 psi. RU to blow down tubing psi thru separator.

Start blowing down gas off tubing thru separator-initial rate of

20.78 mcf/hr on a 8/64 choke to start. as psi decreases open back

psi valve and choke to vent tubing gas. do same with casing.

With a slight blow on both sides, RU to reverse circulate

production water for 50 bbls then switch to 3% KCL until well is

dead. Will have to make up 100 bbls 3% to top off well.

Start pumping kill fluid down Casing. After 95 bbls away we have

full retunes with no gas to surface.

Lunch break

Land tubing hanger. Note: (2 ea. Tubing Hanger tie bolts are
seized. Order out wood group to replace 2 ea.) RD Rig floor, RD

BOP's, RU rod handling equipment.

PU and test and run Rod Pump thru WH, continue TIH with rod

250 psi flowing@ 5.43 mcf/hr on 8/64 choke-tubing shut in 0 psi. SWIFN.

Wait on daylight for rig operations- Note: When closing in production equipment seen rig flat tank has developed a leak underneath the middle of the tank. Called Key and DRC to move produced H2O to prod. tank. Key organizing another flat tank for in the AM.

8/5/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Tubing 1300 psi/Cas 990 psi, RU Tubing to start flowing thru prod equip for rate and vol.

8/64 choke, 26 mcf/hr

Start flowing tubing-1000 psi Casing /990 psi static 8/64 choke, 26 mcf/hr

Tubing 950 psi flowing/Cas. 990 psi static 7.23 mcf/hr Separator psi 157 psi

450 tub psi/1000 Cas psi-Shut in tubing while Key exchanges rig

tanks. (Looks like weld broke on skid to tank bottom.)

Open to prod equip. Tubing 500 psi flowing/Cas. 1000 psi static 5.5 mcf/hr-8/64 choke-

Tubing has dropped to less than 45 psi need a minimum of 45 psi

to keep Hi-Low valve open. Flowing 1 mcf/hr out tubing thru Hi-Low by-pass.

Close in Tubing, open Casing to prod. equip.

Tubing 125 psi Static/Cas. 600 flowing psi-18 mcf/hr-15 total MCF thru tubing.

Tubing 175 psi Static/Cas. 350 flowing psi-11.79 mcf/hr-8/64 choke-

Tubing 225 psi Static/Cas. 250 flowing psi-7.13 mcf/hr-8/64

choke-Pinch back Back psi valve trying to hold minimum 45 psi on separator.

Tubing 260 psi Static/Cas. 200 flowing psi-5.17 mcf/hr-8/64

choke-Note Comingle tubing and casing flow-5.28 mcf instant rate.

Tubing 200 psi Static/Cas. 200 flowing psi-5.04 mcf/hr-8/64

choke-Note Comingle tubing and casing flow-Pinch back vavle

closed a little more to keep separator psi to 45 psi

Tubing 175 psi Static/Cas. 175 flowing psi-4.47 mcf/hr-8/64

choke-Note Comingle tubing and casing flow

Tubing 150 psi Static/Cas. 150 flowing psi-4.10 mcf/hr-8/64

choke-Close in Casing, try to blow down Tubing. Tubing coming

wet with to little psi too operate Separator. RU tubing to flow to rig

tank and open Casing back thru separator.

Tubing blowing slight gas and water to rig tank. Casing 200 psi

flowing-8/64 choke-6.2 mcf/hr

Tubing blowing slight gas and water to rig tank. Casing 125 psi

choke, 7.48 mcf/hr-4.06 bbls gain.

200 psi tubing, 460 Casing- 18/64th choke, 7.48 mcf/hr-10.44 bbls gain.

Fluid stopped & gas rate is slowing down, switch over to swab tubing. Total H2O thru separator 21 bbls.

Swab run # fluid level pull depth BBLs/run BBLs total/day

#1 5100' 6300' 9 9

#2 5700' 6300' 9 18

#3 3500' 5000' 7.5 25.5

PU JT # 200 while tubing is dead and put EOT @ 6522.20 ft which is 10.20 ft below bottom perf. Continue swabbing tubing while producing Casing thru prod equip on 8/64 choke.

#4 4100' 5600' 6 31.5

Cas psi 550

#5 4500' 6000' 6 37.5

#6 4200' 5700' 7.5 43

#7 4000' 6300' 4.5 47.5

#8 3500' 6300' 4.5 52

#9 4000' 6300' 4.5 56.5

Cas psi 650

#10 4000' 6300' 3 59.5

8/64@22mcf/hr

#11 5000' 6300' 1.5 61

#12 5200' 6300' 4.5 65.5

Cas psi 375

#13 5400' 6300' 4.5 70

8/64@8.5mcf/hr

#14 5500' 6300' 3 73

#15 5700' 6300' 3 76

#16 5800' 6300' 3 79

Stop swabbing and shut in tubing for the night. 0 psi

Total fluid produced today was 100 bbls 21 bbls thru prod equip, and 79 bbls thru swabbing.

Continue producing for 1 hr out the casing-254 psi @ 5.63

MCF/HR on 8/64 choke tubing shut in 0 psi.

#2 1200' 2700' 7.5 15
#3 1500' 3000' 7.5 22.5
#4 1800' 3300' 7.5 30
#5 2000' 3500' 6 36
#6 2300' 3800' 7.5 43.5
#7 2500' 4000' 4.5 48
#8 2700' 4200' 6 54
#9 3300' 4800' 3 57

16:00 18:15 Well kicked off, observe flow back to rig tank. too much water at this time to turn to separator.

Time Volume/bbls BBLS total/day

16:30 16.5 73.5

17:00 10.5 84

17:30 9 93

18:00 7.5 100.5

18:15 1.5 102.5

18:15 19:00 Rig tank seems to be leaking from bottom. Transfer rig tank production water to the production tank. 155 bbls.

Shut in tubing and get psi build up on both sides for 30 minutes.

time Tubing psi Casing psi 18:15 125 0 18:35 250 0 19:00 320 0

SWIFN, Will try to open well to production equipment in the AM.

Wait on daylight

8/4/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Tubing psi 1475 psi, Casing psi 540 psi. Open tubing to production equipment on a 8/64th choke, @ 24 mcf/hr

Tubing psi has dropped to 50 Psi and rate has dropped to 5.45mcf/hr. Shut in and do build up while vac truck loads flow back water for disposal (80 bbls)

200 psi tubing, 460 Casing-open to production equipment 8/64th choke, 6.78 mcf/hr 175 psi tubing, 460 Casing

280 psi tubing, 460 Casing-18/64th choke, 8.57 mcf/hr. Increased choke size to unload water better. 6.38 bbls fluid gain

0.50 Shut in to load vac truck for disposal-70 bbls

240 psi tubing, 500 Casing-open to production equipment 18/64th

6695.59' KB tubing depth.

IRU and reverse circulate 2 times tubing volume 52 bbls when returned cleaned up

Lay down 8 joints 10 198 jts in @ 6455.96 KB. EOT 31 ft above top perf @ 6487

Shut well in until Monday AM for rig crew day off and get RBP.

Wait on day light

8/2/2010 Sunday-Rig has day off, 0 psi on Cas. Wait on re-dressed Halliburton RBP

8/3/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Start TOOH with bit & scrapper from 6455.96 KB (198jts)

Bit & scrapper @ surface, BO same, RU Halliburton BV-RBP & start TIH w tubing.

RBP Length 3.6' to mid tool. TIH to 3885.49 ft to above the top hole in casing.

10:00 10:40 At 119 jts in (3885.49') Well kicking both sides, slight gas but have to circulate out gas. Mix 50 bbls 2% KCL as we are too low to circulate in rig tank.

10:40 10:40 Set RBP, finish circulating out gas and psi test casing/RBP to 1000 psi. Held 10 minutes.

10:40 11:40 1.00 Release RBP and cont. TIH

11:40 13:00 With 202 jts in @ 6589 ft, set Halliburton 4.5" x 10.5 #/ft BV-Retrieveable Bridge Plug, 8K over Pull / 8K down-OK Lay down 3 joints.

EOT 6489.65 ft

Tubing 6477.45 ft

KB 10.00 ft

Retrieving Head 1.00 ft

Seat Nipple 1.12 ft

13:00 13:30 0.50 Lunch Break

13:30 13:30 RU to start swabbing. (As per Kevin with Halliburton Tools we can leave the Retrieving Head on the tubing to swab, test and possibly produce thru.

13:30 14:00 0.50 Start Swabbing

14:00 16:00 Swab run # fluid level pull depth BBLs/run BBLs total/day

#1 1000' 2500' 7.5 7.5

head for the TS bridge plug that was set at 6580'. If we try to mill this bridge out with a bit and it is a BP mandrel we may not be able to retrieve it and we could loose the hole or have to mill out the retrievable bridge plug slips. Weatherford Tool hand to be on location 07:00 in the AM for fishing the BP.

Delivered out 50 bbls 20% KCL and 240 bbls river H2o to be able to build 2% KCL if needed.

SWIFN, Wait on daylight

8/1/2010 Wait on daylight crew travel, start WSU, Safely meeting

Zero psi on well. After looking at Notched Collar impression decided to run Ball catcher type retrieving head for Weatherford TS RBP. RU Ball Catcher type RBP retrieveing head

Strap stands of tubing into the hole. 218 jts total on location. 99 stands (198 jts) in derrick, 20 jts laid on pipe rack.

Tagged Bridge/RBP, Tubing swiveled in, latched up. With RH torque PU and do over pull test to 5K. Set down 5 K, Rap is set at stand tally depth of 6480.51'. This 1.51 ft difference from singles tally of 6479'. Come up. put in RH torque white comeing down.

PU with RH torque appiied the released RBP. PU 25 it, then come down to the floor with elevators, RBP is free. no psi indications.

TOCH with 4 1/2-in Weatherford TS-RBP.

Plug at surface, The latch up spring top spring was broken and some smail pieces missing. All slips look good with some corrosion noted on Ball Catcher body- Shut dawn for lunch.

Waiting on 4.5" x 10.S #/ft Bit sub and scraper from Halliburton tools department MU same and start T1H with bit and scraper, target depth of 6700 ft to the top of the CIBP. Weatherford doesn't want to put another RBP in the well on long term rental so asked Halliburton to expidite repair parts for dressing the RBP used last week. 10.5#/ft x 4.5" packer and plug parts are rare in the Rockies.

Bit Sub and Scraper arrives loc. RU same and start TIH.

PU jt #200 and continue T1H past perfs@6487'-6512'and 6630-46' to CIBP@ 6700ft Tagged with jt # 206 with 21 ft out

#16 Broken fluid 6300' 3 75

580psi on Cas

Well kicked again , but died. Casing psi 490 psi

17 5000' 6300' 9 84

580 psi on Cas 10

Tubing gas rate died after swab run, talked to engineer about tagging BP to check on sand fill.

Pump 10 bbls produced H2o down tubing, PU single and tried to

TIH w same. Tagged up 1 ft below Slips. Bridge at 6489', EOT @

6488'. Blow down Casing thru separator then RU and start fill hole

for reverse out procedure. Established good circulation at 102 bbls pumped. 0.5

After good circulation, reverse out 2 tubing volumes, 52 bbls.

SWIFN, Wait on Daylight

7/31/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Tubing @ 120 psi, BS @ 60 psi bleed off same, gas. While

checking lines found 29 ea. .88" frac balls in rig tank return line.

EOT @ 6488' with jt 199, PU jt # 200 of 218 jt total. Break

circulation thru kelly hose with jt 199 at original position. Tubing a little gassy.

Start circulating down jt # 200, tagging at 6498' as yesterday.

While recipricating tubing the tag point kept getting higher. Well

site supervisor watching weight indicator and tubing. we lost 10 ' of hole.

6498' - 10 = 6479 ft KB depth W 10' original KB. top Perf

@ 6487' , which means we are tagging 8 ft above top perf. We

tried to circulate off sand but never recovered any sand but misc.

debris, rubber, possible formation, cement and small bits of metal

that have been milled on. We spudded tubing down while

circulating, no success, we circulate both ways with no success.

We finally stopped pumps, and set string weight of 26K down and

had no movement of bridge. We RD the kelly hose and started

rotating with the tongs while increasing weight on bridge up to

string weight but tubing would torque up. Contacted Theron, Bill

and Paul and decided to TOH with tubing to get a visual on the

Notched Collar. The notched collar indicated a tool mandrel wear

pattern from rotating aggressively on the bridge. I took the NC to

Bill Ryans office and he agreed that we should run a retrieving

460 psi on Cas

#41 Broken Fluid 6300' 3 162

400 psi on Cas

There is a slight blow on tubing when we shut in.

SWIFN

7/30/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Tub psi @ 970 psi- Cas psi @ 920 psi, Blew tubing to 0 psi with slight blow in 40 mins thru production equipment, Cumm total of gas to the atmosphere was 6 MCF. Cas. psi @ 900 psi. RU swab and tagged fluid @ 3200 ft. Yesterdays last swab run had broken fluid from 1700 ft to 6300 ft. Don't know fluid influx into tubing.

Continue to Swab test well.

Swab run # fluid level pull depth BBLs/run BBLs total/day

#1 3200' 4700' 9 9

900 psi on Cas.

#2 1500' 3500' 3 12

860 psi on Cas

#3 2400' 3900' 3 15 840

#4 2500' 4000' 6 21 820

#5 3500' 5000' 7 28 770

#6 Broken fluid 6300' 6 34 690

Well tried to kick off but died in tubing, Cas psi @ 580 psi, continue swabbing.

#7 4300' 6300' 7 41

#8 4500' 6300' 6 47

#9 4000' 6300' 6 53

440 psi on Cas

#10 4600' 6300' 3 56

490 psi on Cas.

#11 4200' 6300' 3 59 490

#12 4000' 6000' 3 62 420

#13 4000' 6300' 4 66

420 psi on Cas Hauled 78 bbls production water to disposal-

#14 4800' 6300' 3 69 430

#15 5000' 6300' 3 72 480

#22 3500' 5000' 3 87
#23 3500' 5000' 3 90
300 psi on Cas
#24 3700' 5200' 3 93
300 psi on Cas
#25 3700' 5200' 6 99
300 psi on Cas #26 4000' 5500'
6 105 300 psi on Cas
#27 4000' 5500' 3 108
300 psi on Cas
#28 4000' 5500' 3 111
300 psi on Cas
#29 4300' 5900' 6 117

300 psi on Cas
#30 3900' 5400' 4 121
400 psi on Cas #31 4000' 5500'
4 125 420 psi on Cas
#32 3300' 4800' 3 128
480 psi on Cas
#33 4800' 6300' 3 131
480 psi on Cas
#34 4000' 5500' 6 137
490 psi on Cas
#35 4000' 5500' 3 140
490 psi on Cas
#36 4200' 5700' 4 144
495 psi on Cas #37 4000' 5500'
3 147 500 psi on Cas
Hauled 80 bbls formation water to disposal
#38 Broken Fluid 6300' 6 153
500 psi on Cas
#39 Broken Fluid 6300' 3 156
500 psi on Cas
#40 Broken Fluid 6300' 3 159

#31 3000' 4500' 3 156

#32 2700' 4200' 6 162

#33 2500' 4000' 3 165

Close in Tiw valve, close csg valve, install night cap, well secure

Crew travel, wait on daylight

7/29/2010 Wait on daylight, crew travel, start WSU, Safety meeting

7:00 19:00 Tub psi @ 70 psi- Cas psi @ 340 psi, Blew tubing to 0 psi in 2 mins, RU swab and tagged fluid @ 1800 ft. (700 ft- 2.7bbls influx in tubing overnight) Pull 1000 ft fluid and capture fluid sample, then continue to Swab test well.

Swab run # fluid level pull depth BBLs/run BBLs total/day

#1 1800' 2800' 3 3 300

psi on Cas.

#2 1800' 3300' 3 6

#3 1800' 3300' 6 12

#4 2000' 3500' 6 18

#5 2000' 3500' 3 21

#6 2000' 3500' 3 24

#7 2100' 3600' 6 30

#8 2200' 3700' 3 33

#9 2500' 4000' 3 36

#10 2500' 4000' 6 42

210 psi on Cas.

#11 2700' 4200' 3 45

#12 2700' 4200' 6 51

#13 2800' 4300' 3 54

#14 2500' 4000' 3 57

#15 2800' 4300' 3 60

#16 3000' 4500' 3 63

#17 3000' 4500' 3 66

#18 3000' 4500' 6 72

#19 3300 4800' 3 75

#20 3500' 5000' 3 78

#21 3500' 5000' 6 84

Crew travel, wait on daylight

7/28/2010 Wait on daylight, crew travel, start WSU, Safety meeting

7:00 17:30 Rig up swab equipment, tbq and csg on a suck.

Swab run # fluid level pull depth BBLs/run BBLs total/day

#1 100' 1500' 6 6

#2 1000' 3800' 15 21

#3 400' 2000' 3 24

#4 500' 2100' 3 27

#5 800' 2300' 6 33

#6 1000' 2500' 3 36

#7 1400' 2900' 6 42

#8 1200' 2700' 6 48

#9 1700' 3100' 3 51

#10 1900' 3400' 6 57

#11 2200' 3700' 6 63

#12 2500' 4000' 6 69

#13 2800' 4300' 6 75

#14 2800' 4300' 6 81

#15 3000' 4500' 6 87

#16 3000' 4500, 3 90

#17 3000' 4500' 6 96

#18 3000' 4500' 6 102

#19 3300' 4800' 6 108

#20 3500' 5000' 0 Blown cup

#21 3200' 4700' 6 114

#22 3400' 4900' 6 120

#23 3000' 4500' 3 123

#24 3000' 4500' 6 129

#25 3000' 4500' 6 135

#26 3000' 4500' 3 138

#27 3200' 4700' 3 141

#28 3200' 4700' Blown cup

#29 3000' 4500' 9 150

#30 3000' 4500' 3 153

off, pull up to 6256', set packer, fill backside and monitor, test to 1000 psi for 30 min, test ok, bleed off and release packer, pull up to 6128', set packer, fill backside, test to 1000 psi for 30 min, test ok, bleed off and release packer, pull up to 5539', just below DV tool, set packer, fill backside, test to 1000 psi for 30 min, test ok, bleed off and release packer, pull up 1 jt and set packer @ 5506, just above DV tool, fill backside, test to 1000 psi for 30 min, test ok, release packer, pull up to 4307', set packer, fill backside, test to 1000 psi for 30 min, test ok, bleed off, release packer. Shut in TIW valve, close pipe rams, close csg valves. Well secure. Will test, and chart area from 3950'-3981' in the AM

Crew travel, wait on daylight

7/24/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Start TIH to retrieve bridge plug @ 6459', release bridge plug and TOOH to 4015', set bridge plug, pull up 5', set packer, test between tools, to 1000 psi monitor for 15 min, test ok, bleed off, release packer, pull 2 jts tbgs, set packer @ 3949', fill backside, pressure to 1000 psi, watch for 30 min, lost 340 psi in 30 min, bleed off, Pressure backside above packer @ 3949 to surface, pressure to 1000 psi watch for 30 min, lost 230 psi in 30 min, bleed off and pressure to 1000 psi, watch for 30 min, lost 160 psi in 30 min. bleed off, release packer, TIH latch and release bridge plug, TOOH, lay down tools, close blind rams, close csg valve, well secure
Crew travel, Wait for State hand to review CBL log and pressure chart Monday, off for weekend

7/25/2010 Waiting on state hand to review chart, CBL log, from csg test

7/26/2010 Waiting on state hand to review chart, CBL log, from csg test

7/27/2010 Wait on daylight, crew travel, start WSU, Safety meeting, Service rig start TIH with , notch collar, 1 jt 2 3/8 tbgs, seat nipple, tbgs to surface, run 199 jts tbgs, tag obstruction @ 6491'. Rig up pump to circulate. Work notch collar and circulate down jt # 200, 201 and 202. Tag RBP @ 6580', circulate on bottom, brought back sand in returns. circulate until clean. pull 3 jts tbgs, EOT @ 6488'. Shut TIW valve, close csg valve, well shut in. Ready to swab test in AM

1000 psi, watch for 10 min, 360 psi lost, same loss as 4000-5000, bleed off, open rams, release packer TOOH to 130 jts, set packer @ 4232.65, fill csg, close rams, pressure to 1000 psi, watch for 10 min, 140 psi lost, looks same as 3000-4000, bleed off open rams, release packer, TIH to 134 jts, set packer @ 4358.00', fill csg, close rams, pressure to 1000 psi, watch for 10 min, 360 psi lost, bleed off, open rams, release packer, TOOH to 132 jts, set packer @ 4307.85, fill csg, close rams, pressure to 1000 psi, watch for 10 min, 360 psi lost, bleed off, open rams, release packer, TOOH to 131 jts, set packer @ 4275.30', fill csg, pressure to 1000 psi, watch for 10 min, 150 psi lost, possible hole between 4275-4307', bleed off, open rams, release packer, TOOH to 124 jts, set packer @ 4032.09, fill csg, close rams, pressure to 1000 psi, watch for 10 min, 150 psi lost, bleed off, open rams, release packer, TOOH to 116 jts, set packer @ 3786.36, fill csg, close rams, pressure to 1000 psi, watch for 10 min, 0 psi lost, bleed off, open rams, release packer, TIH to 120 jts, set packer @ 3910.81, fill csg, close rams, pressure to 1000 psi, watch for 10 min, 0 psi lost, bleed off, open rams, release packer, TIH to 122 jts, set packer @ 3981.92, fill csg, close rams, pressure to 1000 psi, 150 psi lost, bleed off, open rams, release packer, TOOH to 121 jts, set packer @ 3949.39, fill csg, close rams, pressure to 1000 psi, 0 psi lost, hole between 3949-3981. Bleed off, open rams, release packer, TOOH, lay down packer. Close blind rams, close csg valves, well secure Crew travel, wait on orders and daylight

7/23/2010 Wait on daylight, crew travel, start WSU, Safety meeting, Make up RTTS packer, plug combo to tbg, start in hole with tools, set bridge plug @ 4307', pull up 5' set packer, test plug and packer to 1000 psi, test ok, release packer, pull up to 4275', set packer, fill backside and monitor, pressure tbg to 1000 psi, record on chart for 30 min. Lost 700 psi in 30 min, pressure back up to 1000 psi and watch for 30 min. Lost 700 psi in 30 min. Bleed off, release packer, TIH, release plug, TIH to 6459', set plug, pull up 5' and set packer, test packer and plug to 1000 psi, test ok, bleed

made not to run CAST M log, rig down E-line, call for PLS packer
Wait on packer and tool hand

Tools on location, make up 4 1/2" PLS packer to tbg, start in hole
with packer and tbg, TIH 96 joints tbg, set packer @ 3005.61', fill
csg with 3% KCl, close pipe rams, pressure test to 1000 psi, test
ok, bleed off pressure, open pipe rams, release packer. TIH to
124 joints tbg set packer @ 4030', fill csg, close pipe rams,
pressure to 1000 psi, test ok, bleed off pressure, open pipe rams,
release packer. TIH to 154 joints tbg, set packer @ 5022', fill csg,
close pipe rams, pressure to 1000 psi, pressure leaking off at 10
psi per minute, watch bleed off to 680 psi, pump back up to 1000
psi, leak off at 10 psi per minute. Indicates leak in csg between
4030' - 5022'. make calls. bleed off pressure, open pipe rams, release packer

TOOH with tbg and PLS packer, lay down packer, close blind
rams, close csg valve, well secure. Crew travel, wait on daylight

7/22/2010 Wait on daylight, crew travel, start WSU, Safety meeting,
Make up 4 1/2 RTTS packer to tbg, start TIH run 92 jts, set packer
@ 3007.61', fill csg, close pipe rams, pressure to 1000 psi, watch
for 10 min, 0 psi lost, test ok. Bleed off, open pipe rams, release
packer continue TIH, ran 124 jts, set packer @ 4032.09', fill csg,
close pipe rams, pressure to 1000 psi, watch for 10 min, 125 psi
lost, possible hole between 3000-4000, will narrow down area on
trip out of hole. Bleed off, open pipe rams, release packer
continue TIH, ran 154 jts, set packer @ 5024.84, fill csg, close
pipe rams, pressure to 1000 psi, watch for 10 min, 360 psi lost,
possible hole between 4000-5000, will narrow down area on trip
out of hole. Bleed off, open pipe rams, release packer continue
TIH, ran 198 jts, set packer @ 6459.14, fill csg, close pipe rams,
pressure to 1000 psi, watch for 10 min, 460 psi lost, bleed off,
open rams, release packer, TOOH to 190 jts set packer @
6183.37, fill csg, close rams, pressure to 1000 psi, watch for 10
min, 360 psi lost, same loss as 4000-5000, possible hole between
6183-6459, bleed off, open rams, release packer continue TOOH
to 138 jts, set packer @ 4503.43', fill csg, close rams, pressure to

Crew travel, wait on daylight

7/18/2010 Wait on results from lab. Line up rig crew to pull tbg in the AM
Sunday, line up Acid crew to pump Durakleen job after tbg is pulled.

7/19/2010 Wait on daylight, crew travel, start WSU, Safety meeting
Start TIH with tbg and notch collar, move in and spot acid pumper
and transport, start rig up acid pumper. 199 jts tbg in hole, EOT =
6490'. Pump flat tank to 500 BBL 3% tank, rig up to take returns to flat tank
Safety meeting, pressuer test lines to 2000 psi, test ok. Pump 3%
KCL to catch circulation took 5 BBLS, switch to Durakleen, pump
down csg take returns up tbg, pump @ 3BPM, 620 PSI, pump 70
BBLS shut down pump, trap Durakleen in csg, close csg valve
and TIW valve. Rig down acid pumper, rig up to circulate out in the AM
Crew travel, wait on Durakleen to soak on CSG, wait on daylight

7/20/2010 Wait on daylight, crew travel, start WSU, Safety meeting
Start pump and circulate out durakleen, pump 2 volumes = 180 bbls, returns are clean
Start TOO H with tbg, standing back, out of hole with tbg
Rig up E-line truck, start in hole with gauge ring and junk basket,
stacked out @ 4500', worked thru, continue to tag @ 6490', pull
out of hole with gauge ring, junk basket has large amount,
fibrous material inside. Material will foul CAST M logging tool,
made calls, decided to trip in hole with tbg and circulate until
clean. Rig down E-line truck
Start TIH with notch collar and 199 jts tbg = 6490'. tbg on bottom
Start to pump for circulation, circulate 200 BBLS 3% KCL, 2 times
total volume, Returns clean. Saw more material same as sample while circulating.
Start TOO H with tbg, out of hole with tbg, shut blind rams, close
csg valve, instal studs on top of BOP for flange, well secure return
in AM to run CAST M log
Crew travel, wait on daylight

7/21/2010 Wait on daylight, crew travel, start WSU, Safety meeting, crews
arrive on location @ 0500 Rig up E-line and run in hole with gauge ring and junk basket, tag
@ 6490, pull out of hole. Tools have thick heavy oil on them,
same as before Durakleen job, may have influx from green river
formation. Oil will foul Cast M tools, make calls and decision was

Break for lunch

Continue trip out of hole with tbg, 112 jts tbg out of hole (3494')
found hole in tbg, marked bad joint, continue to pull tbg, found
more joints tbg with holes, pull total 208 jts tbg out of hole. Sent
tbg to Vernal for inspection, Move in catwalk and tally first row
new tbg. Shut well in for night return in AM

Crew travel, wait on daylight

7/16/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Make up BHA, 3 3/4 bit, scraper, x-over, start in hole with tbg, ran
199 jts tbg, 6491', tag up. Rig up to circulate, install washington head
Break for lunch, Woods Group grease all valves on well heads.
Start to fill hole for circulation, pump .5 bbl to catch circulation,
bring rate up to 3.5 - 4.0 bbls per min, try to wash down jt # 200.

Worked jt up and down while circulating, could not gain any
footage, tags up solid does not pull over when pulling up hole,
Circulate 140 bbls did not see any debris in returns, shut down pump
Start trip out of hole, stand back tbg, 99 stands in derick, one
single, = 199 jts, = 6491.61', lay bown bit and scraper
Remove washington head, close blind rams, shut well in for night.
Ready for E-line in AM

Crew travel, wait on day light

7/17/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Move in and spot E-line truck, rig up E-line equipment
Start in hole with 3.75 gauge ring and junk basket, tag @ 6490' ,
pull out of hole and lay down gauge ring and junk basket, change tools
Start in hole with csg bond log tools, pull out of hole and lay down tools, change out tools
Start in hole with cast M tools, while running in hole tool quit
working, made calls to tech support and tools were fixed while in
hole. Continued down hole encountered more problems with tool,
pulled out of hole, tools had thick oily substance jamming up
centralizers and ports on tools. well bore will have to be cleaned
before cast m log will work properly.
Rig down E-line equipment. Close blind rams, well secure. take
sample to Halliburton lab.

Start venting WH psi to prod tank. 550 to slight blow in 1 hour both sides.

Change out 1000 psi ball valve for a 3000 psi ball valve on flow

-T. Send T-16 type Tubing hanger to town with Dean (Woods

Group) to dress and see if we can salvage for BOP test. 20% KCL arrives loc, 100 bbls.

Hot oiler on loc, Bop's on Loc.

Wait on fresh water, Port-potties on loc, Finish blowing down well,

New Tubing from Bill Ryan yard Leaving Vernal 218 jt. Make up

100 bbls 3% KCL in Rig tank. 15 bbls 20% /85 bbls fresh H₂O =

100 bbls 3%. Start pumping on BS out the tubing. 300 psi @ 2.5

bpm, Partial returns out tubing but very gas water after 15 bbls away.

With 88 bbls away, tubing still gas cut and only partial returns

switch pump to tub and try to establish circulation down tubing up

BS. At 12.5 bbls away we are getting gas cut water out backside.

We may have a hole in tubing. Continue pumping down tubing

taking returns out BS for a total of 25 bbls. (23 bbls cap tub) With

around 100 bbls pumped and cap to EOT @ 93 bbls, we are still

getting gas to surface in a very short time indicating possible hole

in tubing. At this point we have lost 50 bbls to formation.

Decided to Bullhead 60 bbls down BS then Bullhead 30 bbls down

Tubing. 1000 psi @ 1 bpm.

New 2 3/8-in 4.7#/ft N-80 tubing on location, unload onto pipe

racks, spot trailer for used tubing to be back loaded to inspection

yard in Vernal as it comes out of the hole.

Stop pumps, let psi go to zero and start TOH with rods.

Out of hole with rods. Rod configuration not as diagram, will

document rod configuration in AM. Note: Rod pump stuck to the

bottom stop. (will not stroke) Some scale detected.

SWIFN, Rig crew released for the day.

Wait on Daylight

7/15/2010 Wait on daylight, crew travel, start WSU, Safety meeting

Check backside and tbg O pressure both sides, tear down flow line

to well head, pull off well head flange, nipple up BOP, test to 3000

psi, test ok, pull on tbg got full string weight, no anchor in hole

Start trip out of hole with tbg, lay down tbg on trailer

1.00 501 psi @ meter run-Tub & BS

18.00 Isolate Meter run by shutting in well @ well head for the night.

7/10/2010 Wait on daylight-493 psi - 2 psi gain in 24 hours

1.00 512 psi Shut in @ Meter Run-Tub & BS.

1.00 500 psi @ meter run-Tub & BS

Well is stable go to town and work on WSU Pre-project meeting-Monday @ 10:30 AM @ the Vernal Halliburton Camp.

Wait on WSU

7/11/2010 Wait on daylight, Tub-424 psi, BS - 519 psi

Start bleeding off gas psi tubing only @ 12 MCF/Hr on 8/64ths choke

7:00 8:00 Tubing psi 46 psi, 1.56 MCF/Hr @ #8 choke, Fluid to surface thru tubing, Close in tubing and start flowing BS @ 282 psi @ 3.46 MCF/Hr

1.00 BS flowing @ 149 psi @ 3.46 MCF/hr on # 8 choke.

BS Flowing @ 133 psi @ 2.04 MCF/Hr- Fluid to surface out BS, Shut in well & Wait on WSU

WH psi @ 10:00 AM 180 psi ISIP, Tubing @ 100 psi.

7/12/2010 Wait on daylight Tub-555 psi BS - 555 psi Start bleeding off gas

psi tubing only @ 12 MCF/Hr on 8/64ths choke, flow went to slight blow in 10 min.

Open BS same choke and well blew down to slight blow in 35 min.

SWIFN, Wait on WSU

7/13/2010 Wait on daylight & WSU

10:30 12:30 Spud meeting @ Vernal Camp, PSL leaders, Key, Thurston & Hallibuton Project management Personel. Go over HSE issues and procedures on project wells.

12:30 14:30 Check on New tubing delivered to Pipe yard. 3 ea. loads @ 268

Jts 1 ea load @ 265 jts. for 35,000 ft ordered. 1069 jts total 2 3/8"

Travel to loc, to help spot Rig tank and rig pump. Blow down WH psi while waiting on WSU-Tubing 575 to 45 psi, BS 540 psi to 45 psi no fluid to surface. Close in well do to vehicle activities.

2.00 Spot rig tank, rig pump.

1.50 MIRU WSU, Crews released for the day

11.00 Wait on Daylight

7/14/2010 Wait on Daylight, Crew travel, start WSU

PJSM, start laying iron while blowing down WH psi. Tub @ 550 psi

BS @ 530 psi. Dalbo Frac tanks arrive loc, 3 ea.

psi gain from 18:00 last evening to 07:00 this AM (13hrs) is 247
psi. Flowed 17.29 MCF total yesterday @ average rate of 2.45
MCF on 8/64ths choke. Flow rate on 4/64th choke was 1.7, MCF/Hr
1.00 480 psi Shut in @ meter run-Tub & BS
1.00 456 psi @ meter run-Tub & BS - 24 psi
1.00 437 psi @ meter run-Tub & BS - 19 psi
1.00 430 psi @ meter run-Tub & BS - 7 psi
1.00 432 psi @ meter run-Tub & BS + 2 psi
1.00 427 psi @ meter run-Tub & BS - 5 psi
1.00 415 psi @ meter run-Tub & BS - 12 psi
1.00 406 psi @ meter run-Tub & BS - 9 psi
1.00 387 psi @ meter run-Tub & BS - 19 psi
Isolate Meter run by shutting in well @ well head for the night. Psi

seems to be trending downwards, no surface leaks detected.

7/8/2010 Wait on daylight-475 psi Tub/475 psi BS shut in psi @ meter run -
psi gain from 18:00 last evening to 07:00 this AM (13hrs) is 247
psi. Flowed 17.29 MCF total yesterday @ average rate of 2.45
MCF on 8/64ths choke. Flow rate on 4/64th choke was 1.7

480 psi Shut in @ meter run-Tub & BS
456 psi @ meter run-Tub & BS - 24 psi
437 psi @ meter run-Tub & BS - 19 psi
430 psi @ meter run-Tub & BS - 7 psi
432 psi @ meter run-Tub & BS + 2 psi
427 psi @ meter run-Tub & BS - 5 psi
415 psi @ meter run-Tub & BS - 12 psi
406 psi @ meter run-Tub & BS - 9 psi
387 psi @ meter run-Tub & BS - 19 psi

Isolate Meter run by shutting in well @ well head for the night. Psi
seems to be trending downwards, no surface leaks detected.

7/9/2010 Wait on daylight-491 psi - 58 psi gain in 24 hours
1.00 495 psi Shut in @ Meter Run-Tub & BS.
1.00 497 psi @ meter run-Tub & BS
1.00 498 psi @ meter run-Tub & BS
1.00 499 psi @ meter run-Tub & BS

and Backside flow for next 24 hrs, initial Flow while open both sides, 8/64ths Choke
Tub/BS 1.70MCF/hr, 40.8 MCF/day, 109 psi, 8/64ths Choke, Tub/BS 1.12MCF/hr
26.80 MCF/day, 61 psi, 8/64ths Choke, Tub/BS 1.03MCF/hr, 24.66MCF/day, 55 psi
14:00 15:00 8/64ths Choke, Tub/BS 1.09MCF/hr, 26.06 MCF/day, 60 psi
15:00 Continue flowing thru the night for rate and volume.

7/2/2010 Wait on daylight

Gas Rate @ .77 MCF/Hr/18.58 MCF/day @ 44 psi WH psi, At
shut in well to do psi build up while waiting on Workover
unit. Take hourly psi readings.

Yesterdays 24 hr total gas production @ 17.27MCF

108 psi, 157 psi, 178 psi, 177 psi, 173 psi, 171 psi

184 psi, 194 psi, 200 psi

203 psi-Well gained 159 psi in 10 hours.

7/3/2010 Wait on daylight, 273 psi, 248 psi, 304 psi, 327 psi, leave well shut in for the night

7/4/2010 Wait on daylight-367 psi- 119 psi gain in 24 hrs, 374 psi, 393 psi, 416 psi, 418 psi,
417 psi, Leave well shut for the night.

7/5/2010 Wait on daylight-444 psi-77 psi gain in 24 hours

457 psi, 478 psi, 496 psi, 495 psi, Leave well shut in for the night.

Wait on daylight-.509 psi - 65 psi gain in 24 hours

503 psi, 551 psi, 562 psi, 560 psi

While checking flow lines at well head found a 1000 psi rated
Balon baD valve just off the flow- T for the tubing. Decided to start
releasing psi to keep the tubing at or below 500 psi.

By noon the psi had dropped both sides to around 50 psi. I had
fluid coming up the as so stwt weU in.

By 13:47 we had 500 psi on tubing and 545 psi on 8\$. Opened
as to a 4/64ths choke w minimum of 100 psi Back psi on Separator.

BS 447 psi flowing-Tub shut in @ 500psi-Opened as to 8/64ths choke.

as 349 psi flowing-Tub shut in @ 460psi

BS 265 psi flowing-Tub 450 psi-Open tubing and Bow both ways.

There are check valves on the Tubing & as Bow lines so there is
no cross Bow at the WH.

17:00 233 psi Aowing ps iJ 8/64th choke w 100 psi back psi.

7/7/2010 Wait on daylight-475 psi Tub/475 psi BS shut in psi @ meter run -

choke. Start psi on both sides @ 1175 psi, Tub psi 500 psi & BS @ 1150 psi
Tub psi 475 psi & BS @ 1000 psi, total gas produced from 11:00 to 17:00 37.08MCF
Total water production from 11:00 to 17:00 21bbls=3.5bbls/hr
Change choke as per engineer back to 8/64ths and leave open to prod. Equipment
thru the night. Flow well to production equipment.

6/30/2010 Wait on daylight

Tub psi @ 350 psi BS psi @ 880 psi on a 8/64ths choke.
High/Low valve shut in during the night. After opening bypass on
high/low valves tubing psi quickly dropped to around 120 psi. Had
to manipulate separator to continue to flow out the tubing but
tubing psi staying around 120 psi @ .89 MCF per day. 6.96 bbls
well fluid recovered thru the night.

Tub psi @ 120 psi BS psi @ 830 psi on a 8/64ths choke @ .89
MCF/day. As per engineer, close tubing, open BS 900 psi to prod.
equipment. tubing isolated at 120 psi on line.

179 MCF/day w 365 diff psi on separator.

Tub psi @ 175 psi BS psi @ 540 psi on a 8/64ths choke @ 201.
84MCF/day.

11:00 14:30 Tub psi @ 175 psi BS psi @ 171 psi on a 8/64ths choke @
67.83MCF/day.

Tub psi @ 175 psi BS psi @ 140 psi on a 8/64ths choke @
58.67MCF/day. Open by-pass on High/Low valve for the night so
the separator will not shut in do to low psi.(45 psi auto shut in) No
well fluid recovered thru the day.

13.50 Let well flow thru prod equipment thru the night.

7/1/2010 Wait on daylight, 8/64ths Choke, BS psi @ 58 psi, Trapped Tub psi @ 100 psi

Gas Flow rate @ 1.05MCF/hr, Gas Flow rate @ 25.14MCF/Day

Fluid gain @ 2.9 bbls/day, Total Gas Vol 48.65 MCF/24hrs (This Reflects the depletion of
the BS, 880psi to 58 psi), 8/64ths Choke, BS psi @ 57 psi, Trapped Tub psi @ 100 psi

Gas Flow rate @ 1.05MCF/hr, Gas Flow rate @ 25.29MCF/Day, 8/64ths Choke

BS psi @ 56 psi, Trapped Tub psi @ 100 psi, Gas Flow rate @ 1.05MCF/hr,

Gas Flow rate @ 25.20MCF/Day, 8/64ths Choke, BS psi @ 54 psi, Trapped Tub psi @ 100 psi

Gas Flow rate @ 1.00MCF/hr, Gas Flow rate @ 24.00MCF/Day

No Change, As per Engineer, Open Tubing and commingle tubing

Date Activity DD 11-29

- 6/14/2010 Travel to Vernal,Ut. Travel to Bonanza, locate all wells and get GPS Coord for each
Look over locations, find anchors. Travel back to Vernal.
- 6/15/2010 Tour locations with TEOC personel, discuss equipment status on locations
- 6/16/2010 Inventory equipment on all locations, load excess tbg on locations
and send to Randley
- 6/17/2010 Rocky Mtn anchors pull testing anchors on all locations
Work on ajax and plumb in seperator
- 6/18/2010 Travel to Location, spot 500 Gal propane take and took up to ajax,
Open well and flow for 10 hours, Flow back sheet attatched.
- 6/19/2010 Travel to location, open well to production tank and flow for 6 hours.
Shut well in for night return in AM. Flowback sheet attatched
-
- 6/20/2010 Travel to location, open well for production tank anf flow for 6 hours.
Shut well in for night return in AM. Flowback sheet attatched
- 6/21/2010 Travel to location, open well to production tank and flow for 6 hours.
Shut well in for night return in AM. Flowback sheet attatched
- 6/22/2010 Travel to location, open well to production tank and flow for 6 hours.
Shut well in for night return in AM. Flowback sheet attatched
- 6/23/2010 Travel to location, open well to production tank and flow for 6 hours.
Shut well in for night return in AM. Flowback sheet attatched
- 6/26/2010 Psi on tbg and csg 1400, bleed off tbg and csg to production tank.
Psi at 50, shut in well, check psi in AM. Call roustabouts to plumb gas line to upright
tank, waiting on confirmation. Submitted Sundrie notice to Utah Oil, gas and Mines,
for work to be performed. Check working psi on stuffing box, 1500 psi working psi.
- 6/27/2010 Check psi on tgp = 950. Open well to seporator and test lines, fix several leaks
worked dumps and valves, replace rupture disc, and by pass line.
Have roustabouts lined up for first thing Monday AM, to plumb gas line to
production tank, will also replace a few pieces on seperator, Ivan will pick up
and install on Monday. Well shut in. Will check psi in AM.
- 6/28/2010 Check psi on tbg=1050, csg=1050. Have roustabouts lined up for first thing Monday
AM, to plumb gas line to production tank, will also replace a few pieces on
seperator, Ivan will pick up and install on Monday. Well shut in. Will check psi in AM
- 6/29/2010 Wait on daylight, plump in separator & Meter Run. Open to Prod. Equipment on a 13

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078		8. WELL NAME and NUMBER: DIRTY DEVIL UNIT 11-29
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0505 FNL 0815 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 29 Township: 09.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047316170000
PHONE NUMBER: 214 704-3896 Ext		9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/4/2010			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that the Dirty Devil Unit 11-29 has been returned to a producing status effective October 4, 2010.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 October 25, 2010

NAME (PLEASE PRINT) Russell H. Cox	PHONE NUMBER 435 789-8580	TITLE Operations Manager
SIGNATURE N/A	DATE 10/22/2010	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078		8. WELL NAME and NUMBER: DIRTY DEVIL UNIT 11-29
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0505 FNL 0815 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 29 Township: 09.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047316170000
PHONE NUMBER: 214 704-3896 Ext		9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input checked="" type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/5/2010			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Dirty Devil 11-29 status change from SI to producing effective October 5, 2010.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Russell H. Cox	PHONE NUMBER 435 789-8580	TITLE Operations Manager
SIGNATURE N/A	DATE 12/1/2010	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078		8. WELL NAME and NUMBER: DIRTY DEVIL UNIT 11-29
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0505 FNL 0815 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 29 Township: 09.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047316170000
9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND		COUNTY: UINTAH
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input checked="" type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 12/12/2010	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. please be advise well Dirty Devil 11-29 was shut in effective 12/12/2010		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Patti Cox	PHONE NUMBER 435 789-8580	TITLE Operations Manager
SIGNATURE N/A	DATE 6/14/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078		8. WELL NAME and NUMBER: DIRTY DEVIL UNIT 11-29
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0505 FNL 0815 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 29 Township: 09.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047316170000
9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND		COUNTY: UINTAH
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input checked="" type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/10/2011	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Please be advise well has been return to a producing status effective June 10, 2011.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Patti Cox		PHONE NUMBER 435 789-8580
SIGNATURE N/A		TITLE Operations Manager
DATE 6/14/2011		

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-22161
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: THURSTON ENERGY OPERATING		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8, Vernal, UT, 84078		8. WELL NAME and NUMBER: DIRTY DEVIL UNIT 11-29
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0505 FNL 0815 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 29 Township: 09.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047316170000
9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND		COUNTY: UINTAH
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/7/2011			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			
	<input checked="" type="checkbox"/> OTHER		OTHER: <input style="width: 100px;" type="text" value="well work"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The following procedure that was completed on the Dirty Devil 11-29 well.

Work was completed on June 7, 2011 Day 1 & 2 Move 320 Pumping unit off and build pad for 114 unit. Set unit. Day 3 Move in workover rig and rig up and set equipment. Set 400 BBL upright. Rig pump and tank and fill with 2% KCL. Blow down or kill well. Nipple down well head, nipple up BOP and test rams. Pickup pipe, run in and tag RBP TOO H Day 4 Safety Meeting. Pick up stands, pick up RBP tool, RIH and latch on RBP at 6,589 feet, free up and POOH. Laydown tools. Pick up bit and sub RIH and tag CIBP at 6.700 feet. Day 5 Safety meeting, rig up swivel and fill hole. Drill out fill and CIBP, RIH and tag bottom, clean out if need be. TOO H lay down bit and sub. Pick up perf joint and notch collar, seat nipples and run in hole. Day 6 Safety Meeting. Finish RIH tag bottom, pick up, lay down 2 joints and hang off. Nipple down BOP, nipple up wellhead. Pick up, rebuilt pump, prime and run in hole, picking up rods. Flush with 30 bbls hot 25KCL, Seat pump and hang off. Load tubing and PSI check to 500 pounds. Start Pumping. Day 7 Rig down and move off. Turn over to pumper. Clean up after rig. Job completed on June 8, 2011

NAME (PLEASE PRINT) Patti Cox	PHONE NUMBER 435 789-8580	TITLE Operations Manager
SIGNATURE N/A	DATE 6/17/2011	

Thurston Energy Operating Company LLC.

4925 Greenville Avenue, Suite 840

Dallas, TX 75206

RECEIVED

May 24, 2011

MAY 24 2011

DIV. OF OIL, GAS & MINING

Hand-Delivered

Dustin Doucet
Utah Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

LaVonne Garrison
Assistant Director, Oil and Gas
State of Utah School and Trust Lands
Administration
675 East 500 South, Suite 500
Salt Lake City, UT 84102

Dear Mr. Doucet and Ms. Garrison:

We write in response to the Notice of Violation issued by the Division of Oil, Gas & Mining on April 11, 2011. On May 9, 2011 a meeting was held which included members of the senior management of Thurston Energy Operating Company (Thurston) and representatives of the State Institutional Trust Land Administration (SITLA) and the Division of Oil, Gas & Mining (DOGM). Those attending were as follows:

LaVonne Garrison
Dustin Doucet
Ralph Curton, Jr.
Chris Curton
William Ryan

SITLA
DOGM
Chairman, Thurston Energy LLC
Operations Manager, Thurston
Senior Engineer, Thurston

At the conclusion of the meeting, Mr. Doucet and Ms. Garrison asked that Thurston reply to the Notice of Violation in writing in order to address the issues raised with regard to the periods of shut-in/TA status of the Dirty Devil 11-29 and the Dirty Devil 31-15A wells on leases ML-22161 and ML-28042, respectively.

Shut-In Wells for Transportation Conditions

Both the Dirty Devil 11-29 (the "11-29") and the Dirty Devil 31-15A (the "31-15A") wells have been capable of production of gas in paying quantities but were shut-in because of the lack of a pipeline system to transport gas from each well to a viable market. When Thurston acquired Lease ML-28042 and the 31-15A well, there was no pipeline to the well. Thurston was able to transport and sell gas from the 11-29 well on Lease ML-22161 from September 2005 until November 2006, when it became apparent that Thurston's equipment was inadequate to continue sales through the Questar pipeline.

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

Dustin Doucet
LaVonne Garrison
May 24, 2011
Page 2

In order to obtain an adequate pipeline for transport of gas from both the 11-29 and the 31-15A wells, Thurston commenced negotiations with Anadarko in November 2006. Anadarko, dba Westport Field Services, LLC, offered a low pressure line in the area and expressed interest in not only purchasing Thurston's gas, but in purchasing Thurston's gas gathering system as well. Shortly after November 2006, negotiations between Thurston and Anadarko commenced and continued until the transaction was consummated in February 2008. Since Anadarko was purchasing the entire gas gathering system, the accompanying sales agreement with Thurston was exclusive and remains so today.

In order to connect the Anadarko main infrastructure to the Thurston gathering system and wells, and to operate the existing gathering system, Anadarko was required to apply for the right to use, and in some cases, to construct, pipelines on BLM land. The majority of the Right of Way applications were not approved by BLM until September 2010.

Due to the lack of transportation and a viable market for its gas, Thurston was forced to shut-in its wells while waiting for the completion of the Anadarko transaction and the subsequent regulatory approvals. As portions of the pipeline were approved and constructed, Thurston moved to bring its wells back into production.

Lease ML-22161

With respect to the 11-29 well (API #43-047-31617), Lease ML-22161, Thurston filed a Sundry Notice with DOGM in October 2010, stating that production would commence during that month. Production reporting to DOGM did not occur in a timely manner due to inadvertent administrative errors which occurred during the integration of new outside service providers. Thurston regrets this omission and wishes to give assurance that the matter has been addressed and that Thurston's production information is now correct and up to date on the DOGM site.

Thurston took over full ownership of the 11-29 well in 2005. As the new operator, Thurston spent the months of July and August cleaning up locations, repairing gas gathering lines, and repairing the compressor, in order to get ready to market gas. Thurston then produced and sold gas from September 2005 through November 2006.

It then became apparent to Thurston that compressor issues were creating problems "going into" Questar's sales line. The compressor could not meet the requirements at which Questar's line was operating. Soon thereafter, in late 2006, Thurston began negotiating with Anadarko for Anadarko's purchase of Thurston's gathering system. Anadarko offered a low pressure line that Thurston could "go into" where Thurston would not have to compress its gas.

Dustin Doucet
LaVonne Garrison
May 24, 2011
Page 3

Thurston agreed to a sales contract with Anadarko to market Thurston's gas. As part of this sales contract, Thurston could only sell to Anadarko.

On completion of the sale, Anadarko filed Right of Way applications for its pipelines. The completion of the sale and the submission of the Right of Way applications both occurred in the beginning of 2008. The Rights of Way applications which Anadarko submitted were not approved until September of 2010.

The 11-29 was shut-in due to the following chain of events: (1) compressor issues that did not allow Thurston to meet the requirements to "go into" Questar's line; (2) the negotiations and the sale with Anadarko; and (3) the lack of market by waiting on Rights of Way to be approved and the pipelines to be constructed. As soon as the pipeline was completed in September 2010, Thurston began to sell gas from the 11-29. Thurston produced gas in October, November and December of 2010.

In December 2010, after "shooting" a zone in an off-set well on a different lease, Thurston decided to take a look at a similar zone in the Wasatch on the 11-29. Based on analysis of logs, Halliburton's "Swift Look" model, the engineering report from Haas Engineering, and independent geologists' reports, Thurston decided to workover the well. Thurston moved up the hole to test the Wasatch sand, but the completion was not successful. Thurston then shut-in the well to re-evaluate a future workover plan and has had some delays due to extreme weather conditions. Thurston plans to workover the well by pulling retrievable packer, drilling out the Cast Iron Bridge plug, and putting the well back on production. Thurston will need to change out the pumping unit and plans to have well back on line by mid-June 2011.

In addition to the 11-29, in the fall of 2010, Thurston began construction on the location for the 12-29 well, which has recently received regulatory approval. Thurston submitted an APD for the 12-29 well in April 2006, and in June 2006 Thurston submitted Right of Way applications for the location, road, and pipeline. In May 2009, DOGM rescinded the APD for the 12-29, but the Right of Way applications to BLM continued to move forward. In February 2010, a second APD for the 12-29 well was submitted for the same location but with a different API number in anticipation that the Right of Way applications would soon be approved by the BLM. The Right of Way applications were not approved by the BLM until September 2010. As soon as the Right of Way applications were approved, Thurston began construction on the road and location for the 12-29. Although that work was suspended due to harsh winter weather, Thurston expects to complete that construction shortly and to drill a new well this summer when rigs become available.

Lease ML-28042

In 2005 Thurston took over ownership of lease ML-28042 and the 31-15A well. When Thurston took over ownership there was no pipeline to well, no production equipment, no pressure on well and the location needed to be cleaned up. Thurston immediately began clean up on the well location, including locating the rightful owner of a stacked rig that was on location and getting it removed. Thurston understood that the 31-15A well was capable of production but that the gas could not be marketed because there was no pipeline to the well.

After the location was cleaned up, Thurston brought in a rig and drilled out the existing plugs in the well and logged the well. Thurston then had the logs processed and analyzed by Halliburton (including a complete "Swift Look" report). An engineering report was prepared by Haas Engineering and additional analyses were solicited from other independent geologists and engineers. These logs and engineering reports showed that the 31-15A well was capable of production in paying quantities. In reliance upon these logs and reports, Thurston determined that the 31-15A well was capable of production in paying quantities. Copies of the Halliburton "Swift Look" Report, the Haas Engineering Report, the LaRoach Engineering Report and the applicable well logs are attached hereto as exhibits.

In November 2005 (within four months of acquiring control of the lease), Thurston submitted APD's and Right of Way applications for two new wells, the 5-15 and the 10-15, and a Right of Way application for the 31-15A well. In May 2009, DOGM rescinded the APD's but the Right of Way applications continued to be processed. In February 2010, new APD's were submitted for the 5-15 and the 10-15 wells, which were approved in June 2010. Unfortunately, the Right of Way applications were not approved until September 2010. The Bureau of Land Management's delay in approval of the Right of Way applications forced Thurston to keep the 31-15A well shut in for 4-1/2 years and prevented Thurston from beginning work on the new 5-15 and 10-15 wells.

As soon as the Right of Way applications were approved by BLM, Thurston began construction on the well locations, roads, and pipelines, and Thurston drilled the 5-15 and 10-15 wells. Thurston also began the workover of the 31-15A well in order to be able to market gas as soon as the pipeline was completed. Thurston conducted an integrity test on the 31-15A and found that this well which had been previously capable of production had deteriorated while waiting for the pipeline to be constructed. However, in conjunction with the workover of the 31-15A, Thurston had brought the two new wells, the 5-15 and the 10-15, on line and capable of production in paying quantities. Multiple attempts were made to "save" the 31-15A at a cost of over \$600,000. Although the 31-15A had been capable of production in paying quantities, the

Dustin Doucet
LaVonne Garrison
May 24, 2011
Page 5

well had lost its integrity during the long wait for the pipeline, but at the same time the two new wells on the lease are now capable of production of gas in paying quantities. The two new wells will be marketing gas when the pipeline is completed to these two new wells, and the 31-15A will be plugged and abandoned according to a procedure acceptable to DOGM.

Conclusion

In summary, both the 11-29 and the 31-15A wells have been capable of production of gas in paying quantities but were shut-in because of the lack of a pipeline system to transport gas from each well to a viable market.

With the pipeline completed, the 11-29 well will be producing gas for sale to a commercial market in June 2011. The 12-29 will also be completed shortly.

Although the 31-15A suffered deterioration while waiting for the pipeline to be completed, the 5-15 and 10-15 will be capable of production on Lease ML-28042 and will be connected to the pipeline for transportation and sale of gas.

Very truly yours,



Ralph Curton, Jr.
Chairman

Enclosures: Timelines for 11-29 and 31-15A Wells
Engineering Reports and Logs

ML 28042

Well 31-15A

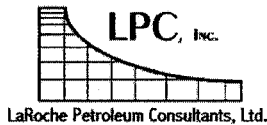
Well 10-15-9-24

Well 5-15-9-24

Year	1991		1992-94		1995		1996		1997		1998-2001	2001	2002	2003	2004		2005		2006		2007		2008		2009		2010		2011	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Operator	Valley Op		Garrity		Lone Mt		Dark Horse		Thurston																					

Days produced	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Note	Garrity selling oil & gas		Lone Mt shut in due to pipeline issue		Dark Horse selling only oil, no gas sales		Waiting on low pressure pipeline, Waiting on BLM																						Compleating t wo new wells and work ing over the 10-15A	

Sale of gathering system to Anadarko																														
Waiting on BLM, Anadarko pipeline R-of-W																														
Start pipeline const																														
APD #1 10-15-9-24																														
APD #2 10-15-9-24																														
APD #1 5-15-9-24																														
APD #2 5-15-9-24																														
Waiting on BLM location, road and pipeline R-of-W																														
Constructed locations & drilled two 8000' wells																														
Started csg integrity test & completion of 10-15A																														
Testing and completing two new wells																														



April 21, 2006

Mr. Ralph Curton, Jr., President
Thurston Energy, LLC
2754 W. Hwy. 40
Vernal, Utah 84078

RECEIVED

MAY 24 2011

DIV. OF OIL, GAS & MINING

Dear Mr. Curton:

At your request, LaRoche Petroleum Consultants, Ltd. (LPC) has prepared this study encompassing 3,692 gross acres owned by Thurston Energy (Thurston) located in T9S-R24E of Uintah County, Utah. LPC identified and analyzed the results of recent drilling activity in the area to determine if a successful analog exists that indicates the Thurston leasehold is commercially prospective. Recent completions utilizing approximately 15,000 pounds of sand per foot of perforated pay interval have yielded favorable economic results from geologically similar areas. The Thurston leasehold has the potential to perform in a manner similar to these recent completions as discussed below.

HISTORY

Thurston owns leasehold totaling 3,692 acres located in T9S-R24E, Uintah County, Utah (**Maps 1 & 2**) in an area known geologically as the Uintah Basin. The primary producing reservoirs in the Thurston leasehold area are in the Wasatch and Mesa Verde formations at approximately 4,000 to 8,000 feet, with the shallower Green River and deeper Mancos also being prospective. These formations are complex stratigraphic sandstones with a variety of depositional environments. Eight wells have been drilled on the Thurston leasehold by previous operators. Four wells were drilled in the 1970's, two in the 1987 and two in 1995. Two of the wells have been plugged and 6 remain active. Results from these wells have been mixed with individual well cumulative production ranging from 10 MMcf to approximately 700 MMcf. Thurston has drilled one well, the 22-27X, in January 2006. It was drilled through the Wasatch and Mesa Verde to the Mancos where it is currently testing. Wasatch and Mesa Verde pays in the 22-27X have not yet been completed. Within the township (T9S-24E) six wells have been drilled since January 2004 by Houston Exploration, and are now operated by Enduring Resources. The results of these wells have been poor, with per well estimated ultimate recoveries (EURs) ranging from 50 to 150 MMcf. To the west, the Wasatch and Mesa Verde produce in the large Natural Buttes Field which covers in excess of ten townships with more than 3000 wells and has cumulative production of over 1.3 trillion cubic feet. Development has progressed eastward to the Thurston leasehold area. Westport (Kerr McGee), EOG, Questar and others have drilled more than 120 wells since 2004 in 9S-23E and 10S-23E, townships immediately west of the Thurston acreage. EOG Resources has filed an environmental impact statement (EIS) that covers their planned activities in this area and addresses drilling to a spacing of 20 acres per well. This area is extremely active.

ANALOG

To develop an analog, LPC selected wells that have been drilled since 2004. These recent wells are indicative of the results being obtained from wells on the expansion edge of the play using current technology for productive sand identification and stimulation. We selected wells in the eastern half of the two offsetting townships (**Map 2**) to allow a review of wells on the edge of the expansion area nearest to the Thurston acreage. Included in our focus area were nineteen wells in T9S-R23E, twenty-three wells in T10S-R23E and the six new wells in T9S-R24E for a total of 48 wells in the data set. We analyzed production graphs for these wells as well as completion and stimulation data. Included in this report are certain data plots and some of these plots also include the Thurston acreage wells for comparison.

From the production graphs, we projected EURs for each well. **Attachment 1** shows the distribution of EURs for all of the study wells. Per well EURs range from 25 MMcf to 2,000 MMcf with an average of 635 MMcf. Distribution plots are created by sorting the data points (EURs) in ascending order and then plotting EUR against the cumulative percentage of the wells. The horizontal axis of the graph should be understood as "percentage of wells less than or equal to" the corresponding EUR. As an example, the last point on Attachment 1 is plotted at EUR = 2.0 Bcf and Percentage of Wells = 100%. This should be understood as "100% of wells have an EUR less than or equal to 2.0 Bcf".

Attachment 2 shows the distribution of EURs when they are grouped by area. Note that the existing wells on the Thurston acreage are identified on this plot. This display shows that the wells in T10S-R23E have significantly larger EURs than the other groups. The average EUR per well for T10S-R23E is 1.0 Bcf. Possible explanations are greater pay thickness, better pay quality, or more effective stimulation. From the completion information, we tabulated the net feet of pay interval perforated in each of the wells. This is not a precise measure of net pay interval, but it serves as a reasonable proxy for the purpose of this project. **Attachment 3** shows the distributions of net perforated pay for the offset areas. The distributions are very similar for all the areas. The amount of perforated pay does not explain the higher EURs for T10S-R23E. The Thurston wells are also displayed here for comparison. The net pay thicknesses used are the results of Halliburton's log analysis from recent electric logs run on all of the Thurston wells. Net pay sand is defined as porosity of 9% or greater and water saturation of 50% or less. **Much of the pay counted here for the existing wells was not perforated in the original completions.** Assuming similar petrophysical cutoffs for the study area wells, this plot indicates that the Thurston wells have net pay thickness equal to or greater than the study area wells. **Attachment 4** is a plot of EUR versus feet of perforated net pay. The plot appears random, with no discernible trend or correlation, demonstrating the same idea as Attachment 3. This is typical of many tight sandstone reservoirs in various producing basins. Variations in permeability and areal extent of productive stringers often result in no correlation.

Next, the size of the hydraulic fracture (frac) stimulation in pounds of sand for each well was tabulated and the pounds of sand per foot of pay perforated (also referred to as "intensity") was calculated. **Attachment 5** shows the distribution of frac stimulation intensity as measured in pounds of sand per foot of pay perforated. This plot shows that the wells in T10S-R23E were stimulated at approximately three times the intensity (15,000 pounds per foot versus 5,000 pounds per foot) that the wells in T9S-R23E and T9S-R24E were stimulated. **Attachment 6** is a plot of EUR versus stimulation intensity in pounds of sand per foot of pay perforated. It shows a correlation of increased EUR with increased stimulation intensity. This suggests that

stimulation with concentrations of sand in the range of 15,000 pounds per foot of perforated pay interval is required to produce the results observed in the T10S-R23 E wells.

The factor of sand quality is difficult to quantify without a detailed petrophysical analysis of each well in the study area. The Enduring wells in T9S-R24E have had poor results even though they were stimulated at an intensity similar to the wells in T9S-T23E. This could indicate poorer sand quality. Offsetting that concern over the Thurston leasehold is the fact that two of the existing Thurston wells (with less intensive stimulations) exhibit cumulative recoveries comparable to the high end of the range of results for T9S-R23E and comparable to the lower end of the range for T10S-R23E which suggests similar pay quality. Given that 1) the Halliburton log analysis has described similar amounts of pay using industry accepted cut-offs and 2) that cumulative production from some of the existing Thurston wells places them favorably in the distributions of the offset areas, it appears reasonable to use the results from T10S-R23E as an analog to describe the potential for development of the Thurston leases.

LEASEHOLD POTENTIAL

Analysis of production, completion and stimulation data in nearby areas and over the Thurston leasehold indicates that the wells evaluated in T10S-R23E should be analogous to the Thurston acreage in 9S-24E. Our comparison shows a correlation of increased EUR with increased stimulation intensity, suggesting that a sand concentration in the range of 15,000 pounds per foot of pay perforated is necessary to obtain the objective results. The analog wells have an average EUR of 1.0 Bcf per well, which generates attractive profitability at current prices and development costs. The Thurston leasehold is judged to have the potential to exhibit similar results.

POTENTIAL DEVELOPMENT ECONOMICS

Cash flow summaries are presented for three development cases that utilize three different well density plans: 80 acre spacing, 40 acre spacing and 20 acre spacing. The effective drainage area is unknown at the present time. For the purpose of this analysis, reserves of 1.0 Bcf per well are assigned to all locations regardless of well spacing. Initial development is scheduled to begin with completion of the Wasatch and Mesa Verde in the newly drilled Thurston 22-27X. Re-perforation and re-stimulation of the existing wells will then follow. After completion of the Thurston 22-27X well, the drilling of new development wells is scheduled for each well spacing case. **Attachments 7, 8 and 9** show the estimated drilling schedules for the three development cases utilizing 80 acre, 40 acre, and 20 acre well density respectively. **Attachments 10, 11 and 12** show the cash flow summaries for the drilling schedules shown in **Attachments 7, 8 and 9** respectively. These economics assume a working interest of 100% and a lease net revenue interest of 80% and a completed well cost of \$1,360M. Wellhead product prices used in all cases are \$6.00/Mcf for gas and \$55.00/bbl for condensate. Condensate yield is scheduled at 15 Bbl/MMcf, and operating costs are scheduled at \$1,500 per well per month. **Attachment 13** is a summary of profit indicators for the three cases.

OTHER ACTIVITY IN THIS TREND

Exxon-Mobil recently announced plans for large scale development of the Mesa Verde formation in the Piceance Basin in Rio Blanco County, Colorado; approximately 50 miles east of the study area. A central point of their plan is their belief that improved technology will allow them to accelerate and increase recoveries compared to completions that were made

previously. **Attachment 14** is an exhibit from an Exxon presentation to analysts in March 2006. Although this is not a direct analog to the Thurston project (different basin, deeper wells, etc), the parallels are the targeted formation is Mesa Verde and the operator expects to improve on past results in that area.

Technical information necessary for this review was furnished by Thurston or was obtained from state regulatory agencies and commercially available data sources. No special tests were obtained to assist in the preparation of this letter.

As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geological data; therefore, our conclusions represent informed professional judgments only, not statements of fact.

This letter is solely for the use of Thurston, its agents, and its representatives in their evaluation of this potential investment and is not to be used, circulated, quoted, or otherwise referenced for any other purpose without the express written consent of the undersigned except as required by law. Persons other than those to whom this report is addressed or those authorized by the addressee shall not be entitled to rely upon the report unless it is accompanied by such consent.

We are independent petroleum engineers, geologists, and geophysicists; we do not own an interest in these properties and are not employed on a contingent basis. Data pertinent to this letter are maintained on file in our office.

Very truly yours,

LaRoche Petroleum Consultants, Ltd.

Stephen Daniel
Licensed Professional Engineer
State of Texas No. 58581

SWD;mc
06-005

THURSTON ENERGY LLC

Background and Informational Sheet

June 2007

PROJECT OVERVIEW:

Location:	NE Utah - Uinta Basin – T9S, R24E; Uintah County, Utah 40 miles east of Vernal, Utah on State Hwy. 45 at Bonanza, Utah
Field:	Greater Natural Buttes Gas Field
Type of Play:	Conventional Natural Gas Resource Play- Tight Gas
Target Geologic Zones:	Wasatch (approx. 4,000ft. to 6,000 ft.) and Mesa Verde (approx. 6,000ft to 8,100 ft.)
Lease Owner of Record:	Thurston Energy LLC.
Operator:	Thurston Energy Operating Company LLC., a wholly owned subsidiary of Thurston Energy LLC
Total Acres:	3692 acres more or less

GEOLOGIC OVERVIEW:

Regional setting:	Southeast flank of the Uinta Basin
Target producing formations:	1. Eocene and Paleocene Wasatch formation (upper and lower) 2. Cretaceous Mesa Verde formation (upper and lower)
Type of Trap: Stratigraphic and Structural influenced	Basin Centered Gas
Spacing:	Drainage area is between 20 and 40 acres (currently being evaluated by drilling on 20 acre spacing; EOG, Anadarko)
Geometry of Reservoir Rock:	Lenticular fluvial channel and point bar sandstones. Individual sandstones vary from less than one section in area to over eight sections. Individual sands vary in net pay thickness from 5 to 150 ft. The number of individual sand sequences can vary in each bore hole. (Average 52 sand sequences per bore hole at a depth to 8,500 ft.
Fractures:	There is evidence of natural fracturing in both the Wasatch and Mesa Verde Source: Cores and Halliburton Fracture Imaging Log (22-27X) This natural fracturing could have been created and or influenced by the same geologic event that created the large Gilsonite veins in the immediate area of this project.
Porosity:	8% to 18% (Average 12%)
Permeability:	less than .1 md (Tight gas sand)
Water Saturation:	45% to 50%
Gas/oil ratio:	15 Bbl/MMcf

BTU:	Average-1,114BTU
Drilling success:	90%+ in the Uinta Basin (Source BLM)
Estimated Cost to drill and complete:	\$1,500,000.00 depending on cost of stimulation
Estimated primary recovery:	1 BCF per location with stimulation* (LaRoche Petroleum Consultants LLC. Engineering Report dated April 21, 2006) ---The Thurston Energy 22-27X has 129 sand sequences defined as "pay zones") *With the introduction of new stimulation technology, the experience of Exxon and others is that the recovery factors are expected to increase exponentially (2Bcf +). See Exxon Mobil Slide
Conclusion:	Historical EURs are not representative of the recoverable reserves for the play. This is due in part from the poor pipeline infrastructure and take away capacity, curtailment and poor completion technology. The historical data show a mean of 800 MMcf (.8 Bcf) per well (LaRoche). The estimated 1MMcf to 2 MMcf (Bcf) ultimate recovery (EUR) per location in the newer wells is largely due to improved permeability in the shallower depths, identifying and exploiting the existing fracturing and of course, improved completion and stimulation practices. There is a correspondence between gas in place and recoverable reserves. Therefore we conclude that reserves should be based on estimates of gas in place and estimated permeability rather than historical EUR.
Example:	Dirty Devil 22-27X well (Source Halliburton Swift-LOOK well model)
Original Gas in Place (OGIP) =	4.29 Bcf
Total number of productive zones: 1)	29 zones (Formula: less than 50% water saturation and above 9% porosity)
Total number of net feet of potential gas pay:	296.50 ft.--- ---Enduring Resources and others predict that for every 65 ft. of net pay in a well, it will create a value of 750MMcf or .75Bcf ($\frac{3}{4}$) ie. 65 ft of net pay equals .75 ($\frac{3}{4}$) Bcf of recoverable gas.

EXISTING ASSETS OF THURSTON PROJECT

Acreage:	3692 Acres- Our leases have a 75% NRI and are held by production (HBP) therefore do not have a term. Thurston leases have a lower NRI but do not have a termination date.
Drilling Permits:	10 Drilling Permits 6 Permits on BLM leases are approved and ready to go 4 Permits on State leases are in the final stage of approval. Final approval anticipated within 60 days.
Wells	
22-27X -	<p>\$1,500,000.00 – Replacement Cost</p> <p>Drilled and logged to a depth of 9,004 feet in February 2006. Awaiting Completion</p> <p>_____ Halliburton has logged the well and provided a reservoir revue using their Swift LOOK interactive reservoir analysis tool providing the following guidance for the Wasatch and Mesa Verde only.</p> <p>_____ 296 feet of Net Gas Pay</p> <p>_____ 4.29 BCF gas in place</p> <p>_____ 2.7 BCF (±) of Estimated Recoverable Gas</p> <p>_____ Halliburton did not evaluate the lower zones that appear productive on the logs (the Sego and the Black Hawk). Thurston plans to test and evaluate each of these zones in the completion of the 22-27X. If the Sego and or the Black Hawk were successfully completed they could contribute an additional 1 to 2+ BCF per zone to the cumulative production of each well and location on the lease block.</p>
Other Well Assets	Six existing wells capable of production with equipment – Please see attached Exhibit regarding Well Status
Gas Taps:	2 @ \$200,000.00 = \$400,000.00
Gathering System:	9 miles of pipe, right of way and equipment - \$2,000,000.00
Roads and Right of Ways	Right of ways etc. Permitted and Constructed

According to Petrie Parkman/ Merrill Lynch the average value of gas in the ground in a Proven category is \$2.90 per Mcf. (See table of transactions in 2006 and 2007 provided by Petrie Parkman/ Merrill Lynch.

Therefore, in addition to the value of the hard assets above: 184 Bcf (1 Bcf per 20 acres) @ \$2.00 per Mcf proven (PDP and PUD) = \$368,000,000.00 and

Lease acreage: 3692 acres @ \$2,000.00 per acre= \$7,300,000.00

Existing Assets and Infrastructure

A. Production Equipment:

Existing production equipment for each well on site at each well location including but not limited to:

1. Well heads
2. Tank Batteries (Heated where applicable)
3. Pump Jack (where applicable)
4. Separators, Dehydrators, Heaters (where applicable)
5. Digital metering on each well
6. Flow lines, valves and connections

B. Gas Taps:

2 into separate locations at the Questar 16 inch low pressure line

C. Gathering System:

9 miles of pipeline that connects to all of the existing wells with the exception of the 31-15A. This connection has been waiting on an approval of Right of Way. This approval is expected to be granted within 30 days. This gathering system is structured to carry "Third Party" gas for a fee.

Gathering System Right of Way for new permitted wells (normally there is an average of 1 year lead time to obtain permits for Right of Way)

D. All weather lease roads and right of way for existing and future roads to permitted wells

(Normally there is a 1 year lead time to obtain permits for lease road permits)

E. Access to Pipelines and Gas Plant:

Questar 16 inch low pressure line (250 lb.)

Anadarko Midstream low pressure (200 lb. line) in October 2007. This option opens up a new market to additional end users therefore HIGHER prices.

F. Drilling Permits: Ten

Six Approved on US/BLM leases

Four in final approval status on State of Utah leases.

Expected approval in 30 days.

G. All oilfield services and service providers are located within 35 miles either in Vernal, UT or Rangely, CO.

Direct access from State Hwy 45

Estimated Value of Thurston Project

Lease acreage: 3692 acres \$2,000.00 per acre = \$7,300,000.00

(BLM and State leases have sold at public auction in our Township and Range (9S-24E) for between \$2,000,000 and \$3,000.00 per acre. There are no leases available at this time for sale)

Six existing wells capable of production with equipment 6 @\$500,000.00 = \$3,000,000.00

(Replacement value of 6 existing wells noted above
@\$1,000,000.00 = \$6,000,000.00)

Gas Taps: 2 @ \$200,000.00 = \$400,000.00

Roads, Right of ways etc. \$1,000,000.00

Gathering System: 9 miles of pipe, right of way and equipment - \$2,000,000.00

184 Bcf (1 Bcf per 20 acres) \$2.00 per Mcf proven (PDP and PUD) = \$368,000,000.00

According to Petrie Parkman/ Merrill Lynch the average value of gas in the ground in a Proven category is \$2.90 per Mcf. (See table of transactions in 2006 and 2007 provided by Petrie Parkman/ Merrill Lynch)

Thurston Energy LLC

Well Status

As of June 20,2007

WELL NAME

API Well NUMBERS LEASE NUMBERS	SPUD DATE	TOTAL DEPTH	CUMULATIVE PRODUCTION	CURRENT STATUS
Thurston Devils Playground 23-17 43-047-305680000 UTU-31266	Dec. 1980	8,450 ft.	32074 prior to shut in	Shut in Waiting on Recompletion and stimulation Most recent production in 2005 1,500,000 Mcf per month out of perfs in upper Mesa Verde only. Multiple prospective pay zones identified on logs to be tested SICIP 2780 lbs.
Thurston DIRTY DEVIL 11-29 43-047-31617 ML 22161	April 1985	7,355 ft	47327 Mcf gas 2,315 bbls oil all production from Mesa Verde	Shut in Waiting on Pump Change and stimulation Multiple prospective pay zones identified on logs to be tested
Thurston DIRTY DEVIL 31-15A 43-047-31726 ML 28042	Aug. 1986	7496 ft.	15562 Mcf gas all zones 598 bbls oil all zones Production is from Green River, Wasatch & Mesa Verde	Shut in waiting on pipeline connection Multiple prospective pay zones identified on logs to be tested Potential pay zones are to numerous to enumerate here LOGS and additional information are available upon request
Thurston DIRTY DEVIL Federal 23-20 43-047-31009 UTU 31266	Jan. 1987	8382 ft	10062 Mcf gas all zones 592 bbls oil all zones Production is from Wasatch and Mesa Verde	This well is waiting on evaluation and determination of procedure Water production in this well is a challenge This well has produced and will produce large volumes of water. The produced water in this well is a challenge and an obstacle There are multiple prospective pay zones identified on logs to be tested. The water zone needs to be identified and "squeezed" in order for this well to be profitable. Shut in casing pressure 2980lbs.
Thurston RED WASH Federal 1-18 43-047-30124 U 145459	Aug. 1972	8598 ft	682749 Mcf gas Wasatch only 1,164 Bbls oil Wasatch	Shut in waiting on recompletion This well may only require an "acid job" to be productive and profitable This well has in excess of 25 potentially prospective pay zones in both the Wasatch and Mesa Verde identified on the log interpretation by Halliburton
Thurston Devils Playground 41-9 43-047-30339 U5217		6466 ft	511201 gas W#asatch only 2547 oil Wasatch only	Shut in waiting on evaluation. This well has mechanical problems. A new production approach may be necessary. This well may be a Disposal well candidate if further evaluation determines this is the option of choice. There is a drilling permit that offsets this location.
Thurston DIRTY DEVIL 22-27X 43-047-34825 SL 0717200C	Feb. 2006	9004 ft.	Shut in Waiting on Completion	It is drilled, logged, cased and has production equipment set and gathering line in place. This well was tested in the upper Mancos shale only. It flowed water in the 2 zones tested According to Halliburton this well has 296 feet of potential gas pay in the Wasatch and Mesa Verde only. There are identified zones below the traditional Mesa Verde interval that appear to be productive. They are the Black Hawk and Sego. This well is expected to produce in excess of 2.5 Bcf of gas with the proper stimulation. there are 2 dapproved drillinmg permits directly offsetting this well. There are an estimated 129 sand sequences in this well capable of gas production

History:

Thurston Energy LLC drilled the 22-27X well on the same drill pad that the previously drilled 22-27 well was drilled in 1984 by HIKO BELL the previous owner operator.

A major gas sand was encountered in the drilling of the 22-27 at a depth of 4,368 ft. the gas flow passing through the gas buster gauged at 2.4 MMcf. Seven (7) feet of the sand was drilled prior to drilling being halted. A mini "Blowout" had occurred. A production string was run to the top of the sand at 4,358 ft. with a short joint on the bottom of the casing and a Texas Pattern cementing shoe on the end. The net affect of this panicked completion attempt was that cement was dumped on the gas sand, effectively partially shutting it off. After cementing and waiting 24 hours, the gas sands encountered from 3822 to 4,292 were perforated. The well produced 101,000,000 cubic ft of gas until 1987 when the pipeline was shut in for repairs (Force Majeure). In the following year when the pipeline was reopened the well would not produce. It was found that the cement job had failed and fresh water was entering the well from above the producing intervals. All of this could have been avoided with the use of better choices in drilling and completion procedures.

Example: An attempt should have been made to drill thru the entire sand sequence plus "rat hole". Production casing then could have been run through the entire sand section. This would have allowed for the entire sand section to be "behind pipe". Cementing would have been relatively simple and effective. This would have sealed and protected the gas producing sand from any water incursion. The 22-27X well has the same sand sequence that was productive in the original 22-27 well.

EXHIBIT

Lease Descriptions

1. State of Utah Mineral Lease No. 22161 containing 320 acres more or less
2. State of Utah Mineral Lease No. 28042 containing 616.59 acres more or less
3. United States – BLM Lease No. UTU- 0145459 containing
640 acres more or less
4. United States – BLM Lease No. UTU- 31266 containing
1594.20 acres more or less
5. United States- BLM Lease No. SL 0717250 containing
400 acres more or less

APPRAISAL OF CERTAIN
OIL AND GAS PROPERTIES
LOCATED IN
UINTAH COUNTY, UTAH, USA
AS OF JANUARY 1, 2008

PREPARED FOR
CHINA OIL & GAS GROUP, LIMITED

RECEIVED

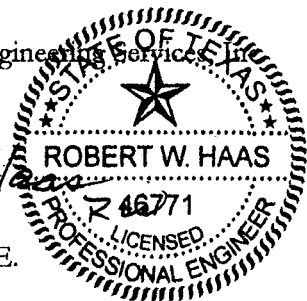
MAY 24 2011

DIV. OF OIL, GAS & MINING

Haas Petroleum Engineering Services, Inc.

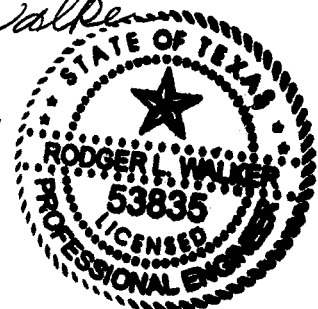
Robert W Haas

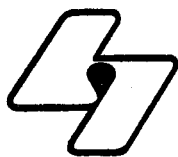
Robert W. Haas, P.E.



Rodger L Walker

Rodger L. Walker, P.E.
January 26, 2008





**HAAS PETROLEUM ENGINEERING
SERVICES, INC.**

2100 ROSS AVENUE
SUITE 1450
DALLAS, TEXAS 75201
PHONE (214) 754-7090
FAX (214) 754-7092

January 26, 2008

Mr. Xu Tie Liang, Chairman
China Oil & Gas Group, Limited
Suite 2805, 28th Floor – Sino Plaza
255-257 Gloucester Road
Causeway Bay, Hong Kong

Dear Mr. Xu:

As requested, a study of the natural gas reserve potential associated with the Thurston Energy, LLC – Phase I and Phase II projects (hereinafter referred to as “Thurston” projects) located in the Uinta Basin, Utah, USA. The Thurston prospect acreage is in the Dirty Devil gas field on the east side of the Natural Buttes gas field in Township 9 South – Range 24 East, Uintah County, Utah. This study reviewed the following reference material and data:

1. Defining and Characterizing Mesaverde and Mancos Sandstone Reservoirs based on Interpretation of Image Logs, Eastern Uinta Basin;
2. Shale Gas Resources of Utah: Assessment of Previously Undeveloped Gas Discoveries;
3. Integrated Sequence Stratigraphic and Geochemical Resource Characterization of the Lower Mancos Shale, Uinta Basin, Utah;
4. Completion and Production Data from the Utah Division of Oil, Gas and Mining;
5. Geologic cross sections developed by McPherson Geologic Consulting; and
6. Halliburton's SwiftLook Multi-Stage Gas Well Model on Seven Wells

The methodology for this study was to define a study area that included the eight townships that are contiguous to the project township. Geology and logs were studied to develop an understanding reservoir quality, thickness, and aerial extent. Completion techniques were documented and studied. Halliburton's fracture stimulation and reserve model was reviewed. Production trends were analyzed to confirm the reserve model.

GEOLOGY and LOGS

Reference item Number 1, provided an excellent description of the reservoir characteristics for the Upper Cretaceous Mancos and Mesaverde formations. Questar, Kerr McGee, and EOG Resources provided 10 Formation Micro-imager logs (hereinafter referred to as “FMI” logs; FMI is a registered trademark of Schlumberger Logging Services) for a research study for the Utah Geological Study. These logs were in the area of T9S, R23E, Uintah County,

Utah. Figure No. 1 provides an overview of some of the facts presented in this study by zone.

FIGURE #1

Thurston Energy, LLC Project Unitah County, Utah				
Zone	Thickness (Feet)	Lithology	Rock Properties	Comments:
Upper Mesaverde	450 - 550	5 to 7 Braided Streams 15-50' thick 2 to 3		
Middle Mesaverde (U. Fluvial)	500 - 600	5 to 12 Flood Plain Shales - Sparse Blocky Sandstones	k = .0485 md 3 - 14' Thick 99 - 815 foot wide Channels $\phi = 14$ $R_t = 10 \Omega$ wet No X over $\phi = 10\%$ $R_t = 40 \Omega$	
Middle Mesaverde (Braided St)	300	Thick Blocky Sandstones - Braided Streams		Fractures are generally oriented N 80° W dipping at 70°. Gas entered the wellbores irregularly and "regurgitated gas" was documented.
Middle Mesaverde (L. Fluvial)	140	2 - 5 Fining Upward Fluvials		
Lower Mesaverde (U. Coral)	350	10 - 20 Coalbeds 1' to 4' thick	$\phi = (8 - 10\%) 15\%$ max	
Lower Mesaverde (Nelson)	300	4 - 10 Fluvial and Channel Sandstones less than 15'	$\phi = 10\%$ $R_t = 30 \Omega$ $\phi = 6 - 11\%$	
Lower Mesaverde (Nelson)	100	Coal Bearing Shales	$\phi \leq 13\%$ vs Core 9.1% 0.0137 md	
Lower Mesaverde (U. Sego)	50 - 80	Lagoonal washover Sandstones		
Lower Mesaverde (Blocky Sego)	60 - 90	Shoreline Sandstones (wet)	10% ϕ $K = .1$ md	
Lower Mesaverde (Black Tongue Shale)	10 - 60	Shale	Low resistance - Poor TOC and Thermal Mat.	
Lower Mesaverde (Castlegate)	100	Shallow Marine & Braided Streams (wet)		
Mancos (Blackhawk)			$\phi = 5 - 10\%$ $R_t = 50 \Omega$ X over	
Mancos (Mancos)		Gray to Black Shale		Naturally fractured.
Mancos (Mancos) B		Thin Very Fine Sandstones encased in Shale (turbidities)		

The study separated the Mesaverde into 9 zones. These zones included various sandstones such as braided streams, fluvial channels, blocky channels, and lagoon washovers. Thin coal beds were also present along with various shales. This study set a minimum sandstone thickness of 4 feet for reviewing. The different types of sandstones ranged from the study minimum 4 feet to 50 feet thick. Porosities ranged from 5% to 14%. Permeabilities ranged from .0137 md. to .1 md. Deep resistivities ranged from 10 ohms to over 50 ohms. Fractures are generally oriented N80W and dipping at 70 degrees. Gas was found to enter the wellbore from irregular directions. The situation of "regurgitated gas" entry was also observed. "Regurgitated gas" is gas that came from the drilling mud that invaded a wet and permeable sand.

The study separated the Mancos into three zones. The FMI logs encountered shallow to deeper marine shales. The Mancos B member was found to include thin, very fine turbidite sandstones. Gas entry was documented in the Mancos section.

COMPLETIONS

The State of Utah requires the oil and gas well operators to file a completion report with certain information documented on the form. The State of Utah also requires that the monthly production volumes be reported for each well. Figure No. 2 presents a summary of some of the important information filed with the state in the Thurston project area by the offset operators.

FIGURE #2

Thurston Energy, LLC Project Unimh County, Utah 95 Range 24E Wells with Completion Reports										
Max Gas Production Rate MMCF/MO	API	Operator	Perforated Top Depth	Perforated Bottom Depth	Formation	Notes	Frac Fluid Type	Frac Fluid Volume (bbls)	Sand (M lbs)	
3672	43-047-35622	Houston Exploration Co	6293	6533	MV	Stage 1				203
7891	43-047-35691	Houston Exploration Co	6939	6950	MV	Stage 3				140
		Houston Exploration Co	6958	6968	MV	Stage 3				140
		Houston Exploration Co	7011	7022	MV	Stage 3				140
		Houston Exploration Co	7219	7224	MV	Stage 2				78
		Houston Exploration Co	7241	7244	MV	Stage 2				78
		Houston Exploration Co	7254	7261	MV	Stage 2				78
		Houston Exploration Co	7276	7283	MV	Stage 2				78
		Houston Exploration Co	7290	7300	MV	Stage 2				78
		Houston Exploration Co	7473	7478	MV	Stage 1				130
		Houston Exploration Co	7549	7554	MV	Stage 1				130
		Houston Exploration Co	7633	7649	MV	Stage 1				130
		Houston Exploration Co	7710	7719	MV	Stage 1				130
		Houston Exploration Co	7762	7768	MV	Stage 1				130
		Houston Exploration Co	7778	7781	MV	Stage 1				130
9589	43-047-35920	Houston Exploration Co	6392	6632	MV	Stage 1				90
		Houston Exploration Co	7066	7400	MV	Stage 2				178
		Houston Exploration Co	7811	7966	MV	Stage 3				142
2941	43-047-35921	Houston Exploration Co	7455	7466	MV	Stage 3				159
		Houston Exploration Co	7471	7474	MV	Stage 3				159
		Houston Exploration Co	7495	7500	MV	Stage 3				159
		Houston Exploration Co	7536	7542	MV	Stage 3				159
		Houston Exploration Co	7580	7588	MV	Stage 3				159
		Houston Exploration Co	7672	7677	MV	Stage 2				100
		Houston Exploration Co	7692	7695	MV	Stage 2				100
		Houston Exploration Co	7712	7714	MV	Stage 2				100
		Houston Exploration Co	7724	7726	MV	Stage 2				100
		Houston Exploration Co	8120	8130	MV	Stage 1				89
		Houston Exploration Co	8148	8153	MV	Stage 1				89
		Houston Exploration Co	8171	8176	MV	Stage 1				89
24294	43-047-35966	Enduring Resources	5049	5050	W	Stage 2				15
		Enduring Resources	5996	7522	MV	Stage 1				222
23508	43-047-35967	Enduring Resources	4720	4721	W	Stage 2				46
		Enduring Resources	6848	7670	MV	Stage 1				154
693	43-047-36019	Enduring Resources	7060	7582	MV	Stage 1				111
5939	43-047-36174	Kerr McGee		7718	MV	Stage 1	Slick Water	1231		40
		Kerr McGee	7173	7377	MV	Stage 2	Slick Water	1258		46
		Kerr McGee	6982	7024	MV	Stage 3	Slick Water	1260		46
12254	43-047-36175	Kerr McGee		7839	MV	Stage 1	Gel (20)	953		100
		Kerr McGee	7345	7443	MV	Stage 2	Gel (20)	1384		180
		Kerr McGee	7049	7224	MV	Stage 3	Gel (18)	2223		262
		Kerr McGee	6876	6881	MV	Stage 4	Gel (18)	457		49
12620	43-047-36179	Kerr McGee	7605	7642	MV	Stage 1	Slick Water	632		27
		Kerr McGee	7421	7431	MV	Stage 2	Slick Water	758		25
		Kerr McGee	7293	7297	MV	Stage 3	Slick Water	369		9
		Kerr McGee	7041	7193	MV	Stage 4	Slick Water	2709		100
		Kerr McGee	6764	6768	MV	Stage 5	Slick Water	410		23
28288	43-047-36180	Kerr McGee		7670	MV	Stage 1	Gel (20)	1717		201
		Kerr McGee	7132	7284	MV	Stage 2	Gel (20)	4155		576
		Kerr McGee	6690	6918	MV	Stage 3	Gel (18)	834		100
		Kerr McGee	6344	6348	MV	Stage 4	Gel (18)	416		45
34019	43-047-36291	Kerr McGee	7584	7752	MV	Stage 1	Slick Water	1155		35
		Kerr McGee	7171	7425	MV	Stage 2	Slick Water	848		14
		Kerr McGee	6866	7026	MV	Stage 3	Slick Water	1892		71
		Kerr McGee	6666	6735	MV	Stage 4	Slick Water	1024		36
		Kerr McGee	5738	5850	W	Stage 5	Slick Water	1302		47
15233	43-047-36734	Enduring Resources	6816	6817	MV	Stage 1				207
		Enduring Resources	7058	7059	MV	Stage 1				207
		Enduring Resources	7412	7413	MV	Stage 1				207
		Enduring Resources	7539	7540	MV	Stage 1				207
20903	43-047-36735	Enduring Resources	5244	5245	W	Stage 2				46
			5930	7648	MV	Stage 1				273

The first column in Figure No. 2 is the maximum monthly production rate a well ever produced. This rate provides an indicator from which each well can be compared to the other wells in the area to gauge a wells relative success. Assuming the operator delivered the designed stimulation effectively, a strong maximum rate indicates good reservoir quality and a good stimulation. The data in Figure No. 2 displays data filed for wells completed after January 1, 2004. It was assumed that the more recent completions would have more modern stimulation designs. Other columns in Figure No. 2 indicate how each well was perforated, the number of stages, the fluid types (only Kerr McGee reported fluid information), fluid volumes, sand volume, and sand quality. This information reports that only 4 feet of Wasatch was completed in these wells. Enduring Resources fracture stimulated the Mesaverde with only 1 stage and averaged about 200 M lbs. of sand. Houston Exploration fracture stimulated the Mesaverde in 3 stages and averaged about 370 M lbs. of sand per well. Kerr McGee fracture stimulated the Mesaverde with 3 to 5 stages and used both Gel and Slick Water stimulations. The fluid volumes ranged from 3749 bbls to 7122 bbls. The sand volumes ranged from 44,000 pounds to 922,000 pounds. Since two of the operators did not report fluid types or volumes, statistical type conclusions can not be made from this data set. The best well in this group was Kerr McGee's API No. 42-047-36291. This well was stimulated with a slick water fracture treatment that generally used relatively small amounts of 30/50 mesh sand and 6221 bbls of fluid.

RESERVES

The results of Halliburton's "SwiftLook Multi-Stage Gas Well Model" on seven wells associated with the Thurston project are shown in Figure No. 3.

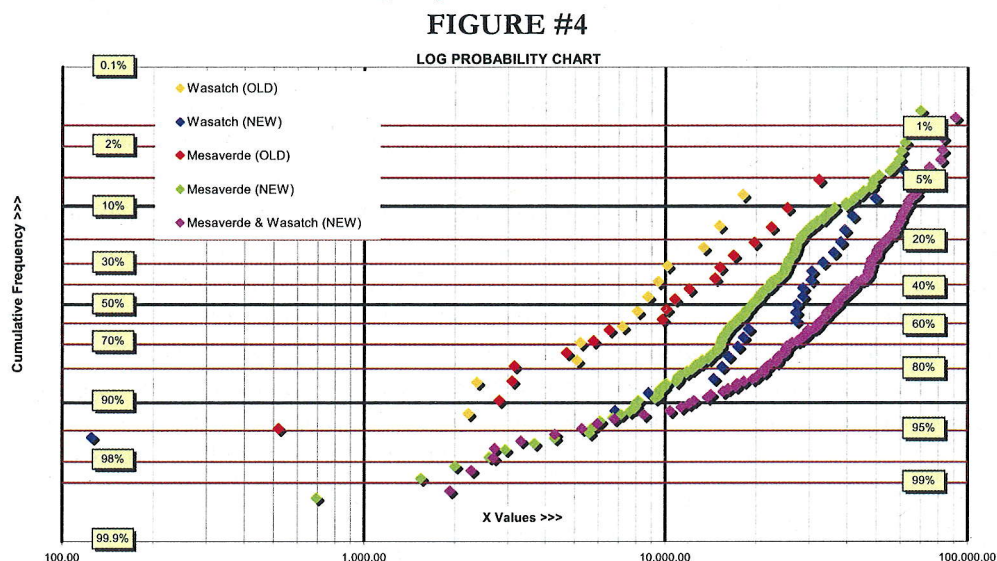
FIGURE # 3

LOG AND RESERVE DATA											
Thurston Energy, LLC Project - Uintah County, Utah											
Well No.	Gross Pay (FT)	Net Pay (FT)	Porosity Dec.	SW Dec.	Acres	OGIP/AC MMCF	OGIP MMCF	OGIP MCF/AC- FT	# of Zones*	Stages #	Qi MCFD
DD 1-18	671	315	0.11	0.38	20	163	3,270	517	45 / 93	11	876
DD 1-29	431	249	0.11	0.41	20	112	2,240	450	25 / 26	8	751-938
DD 22X-27	732	357	0.11	0.36	20	222	4,440	622	26 / 57	7	1211-1513
DD 23-17	489	262	0.10	0.38	20	143	2,860	546	32 / 65	8	1069
DD 23-20	360	275	0.09	0.45	20	115	2,300	418	24 / 26	5	1166
DD 31-15A	838	420	0.11	0.44	20	197	3,940	469	40 / 83	9	881
DD 41-9	603	296	0.11	0.44	20	137	2,730	463	29 / 61	8	618
Average	589	311	0.11	0.41	20	156	3111	498	32 / 59	8	922
Notes: * 45/93 translates as 45 zones for completion out of 93 identified. Gradient = .43 GG = .65 Cond. = 1-BBL/MM											

Halliburton determined the average Original Gas in Place ("OGIP") for a 20 acre development pattern is 3111 MMcf. The average net pay is 311 feet in an average of 32 zones. Halliburton recommends 5 to 11 stage fracs for an average of 8 stages. The fluid volumes for the DD 2X-27 stimulation are 63,000 BBL and the sand volumes are 2.6

million pounds. These stimulations will develop an estimated average initial production rate of 922 MCFD. The initial rates range from 618 MCFD to 1513 MCFD.

Production data from the State of Utah was culled for all the wells in the study area. The data was divided by vintage into a group of older wells that had their date of first production before January 1, 2003 (hereinafter referred to as "OLD") and a group whose date of first production was after January 1, 2003 (hereinafter referred to as "NEW"). Each of these groups was then categorized by producing formation as reported to the State of Utah. The three formation categories are Wasatch, Mesaverde, and commingled Wasatch and Mesaverde. The Log Probability Chart in Figure No. 4 presents the maximum production rate data for each well in these data groups.

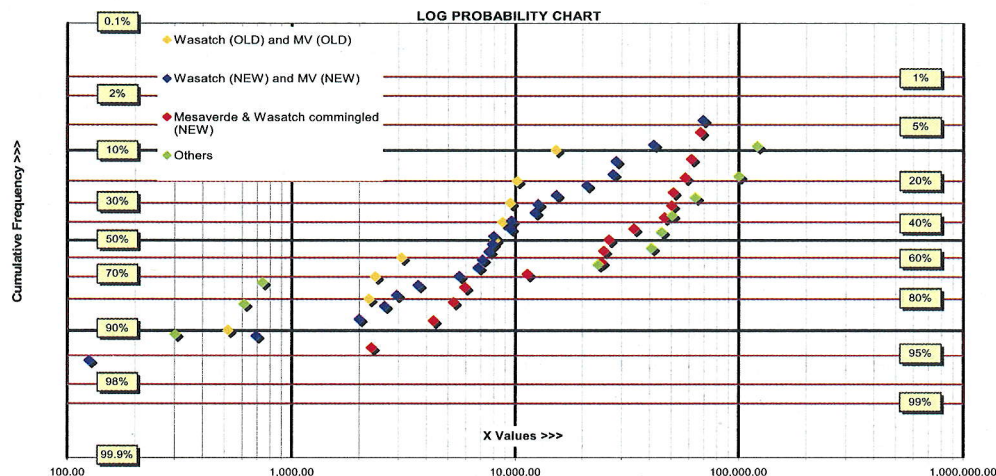


The cumulative frequency at 50% shows the OLD Wasatch wells have a producing rate of approximately 8,500 Mcf/Month versus the NEW Wasatch producing rate of 28,000 Mcf/Month. This implies that better completion techniques are improving the performance of these wells. Similarly, the cumulative frequency at 50% shows the OLD Mesaverde wells have a producing rate of approximately 10,000 Mcf/Month versus the NEW Mesaverde producing rate of 20,000 Mcf/Month; also implying that better completion techniques are improving results. The commingled Wasatch and Mesaverde NEW wells have a combined producing rate of 38,000 Mcf/Month. If the average producing rate for the Wasatch New completions is added to the Mesaverde New completions, the total is 48,000 Mcf/Month. A detailed evaluation of the logs and completion techniques would be required to define the exact causes for this difference between the expected commingled rate of 48,000 Mcf/Month and the actual commingled rate of 38,000 Mcf/Month. In the absence of such a study, it is reasonable to assume that at least part of the difference is due to the fact that commingled stimulation designs will be less efficient and provide lower rates. This would be due to the large size of the section being completed.

Figure No. 5 presents the same type of maximum production rate data as in Figure No. 4, but only Township 9S and Range 23 East data is displayed. Since there were fewer data points, the groupings are a little different. The data shown in yellow are the Wasatch OLD

and Mesaverde OLD completions as one group. The blue are the Wasatch NEW and the Mesaverde NEW as one group. The red data are the commingled Wasatch and Mesaverde NEW. The green data represents other completions that were reported to the state of Utah without formation names or with descriptions that were unclear.

FIGURE #5



Once again the Old completions under performed the NEW completions. The Wasatch and Mesaverde NEW commingled wells average 26,000 Mcf/Month. This exceeds the expected value of 15,000 Mcf/month. The expected rate was calculated by adding 7,500 Mcf/month for a Wasatch New plus 7,500 Mcf/Month for a Mesaverde NEW. The stray green data points also have a high cumulative frequency value at 50%, exceeding 40,000 Mcf/Month.

Figure Nos. 6, 7, and 8 capture all the production data on the NEW wells included in Figure No. 4. The wells in Figure No. 4 are all the wells in the Thurston Study area. These NEW wells were sorted into three graphs by completion zone. Figure No. 6 has all the NEW wells completed in the Wasatch. Figure No. 7 has all the NEW wells completed in the Mesaverde. Figure No. 8 has all the NEW wells commingled in the Wasatch and the Mesaverde.

FIGURE #6

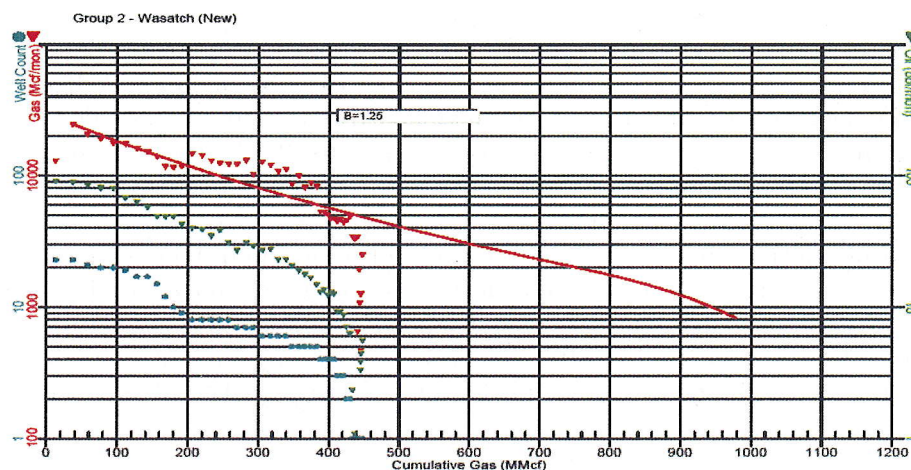


FIGURE #7

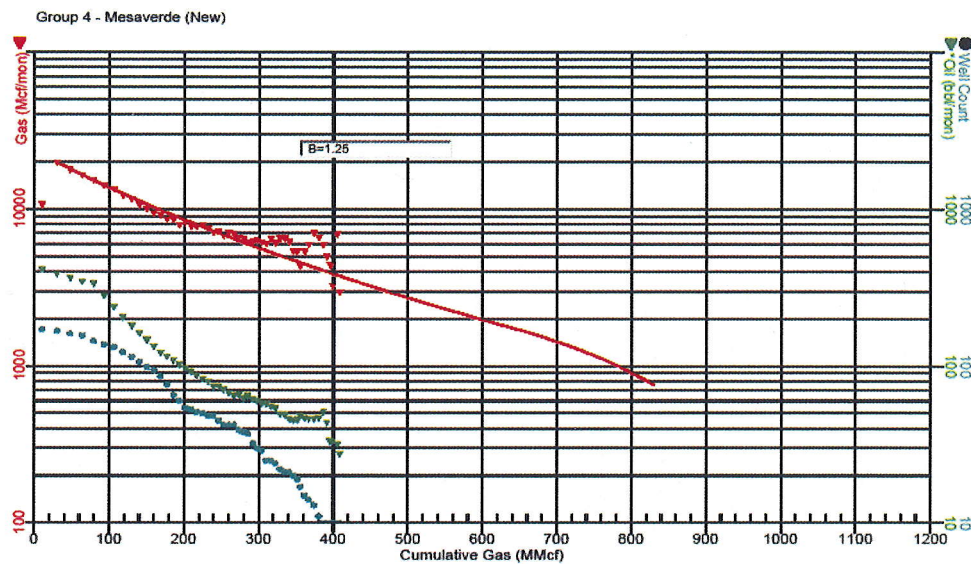
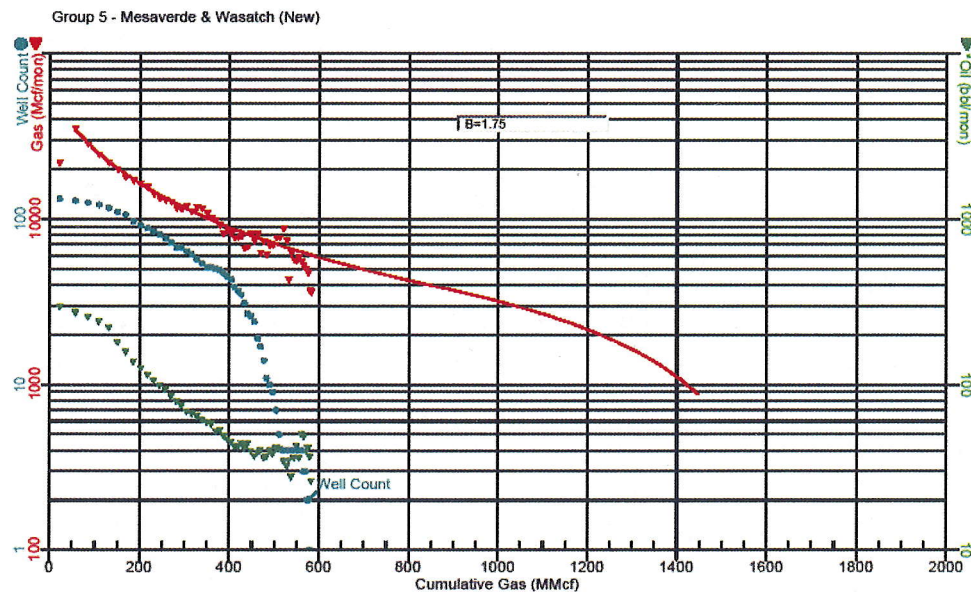


FIGURE #8



The monthly production data in these graphs have been normalized and averaged. The normalization converts the date of first production, for all wells, to the same date of first production. The sum of the production rates for all wells, by month, is divided by the number of wells to get the groups average normalized production rate. From the graph of production rate versus cumulative production volumes, a forecast is constructed that represents a type curve for the group of wells. The results of the forecasts are shown in Figure No. 9.

FIGURE #9

Thurston Energy, LLC Project Unitah County, Utah			
Type Curve Analysis by Completion Zone NEW Wells in Townships Adjacent to Township 95 Range 23E			
Curve Parameters	Wasatch	Mesaverde	Commingled Wasatch
B	1.25	1.25	1.75
Decline Initial (%)	76.7%	72.6%	94.2%
Gas Rate Initial (Mcf/Month)	24,730	19,670	34,640
Gas Rate Fired (Mcf/Month)	750	750	750
Estimated Ultimate Recovery (MCF)	979,000	843,000	1,448,000

MANCOS SHALE and DAKOTA DEVELOPMENT

A limited number of wells in the regional vicinity of the Thurston acreage have targeted the Mancos Shale as an individual production zone. Of these, only recently completed wells, which would have used current slick-water frac technology, were chosen to review. From this list, the majority of the development activity occurred in 2002 and 2003. Wells since that time have tended to commingle production with other zones, inhibiting selective evaluation of the Mancos.

A 2006 report conducted for the Utah Department of Natural Resources, in part, evaluated the reservoir potential of the Mancos Shale. Geo-chemical data shows a Vitrinite reflectance (Ro) of approximately 0.65% near the Thurston acreage, increasing to 1.50% towards the west (Monument Butte area). This lower thermal maturity shows the reservoir being more oil-prone around the Thurston acreage verses more gas-prone to the west. A review of Mancos offsets in the area is shown in the table below. Potential recoveries from these wells show generally increasing liquids recovery on the east side of the review area. Several of the wells have apparently been re-fraced, with subsequent rates approaching the original maximum production rate.

FIGURE #10

Mancos Completions						
Case Name	Status	S/T/R	FP	EUR		Max Rate
				BCF	MBO	MMCF/MO
BONANZA 10-3	P	10/10S/23E	11/03	0.8	8.9	31.6
BONANZA 15-27	SI	27/10S/25E	9/03	0.1	3.4	1.5
BONANZA 4-6	P	4/10S/23E	9/03	0.6	3.8	13.9
CWU 804-18	SI	18/9S/23E	6/03	0.0	0.0	5.0
CWU 810-23	SI	23/9S/22E	3/03	0.6	14.5	11.0
OUSG 10W-15-8-22	SI	15/8S/22E	4/03	0.7	0.0	18.1
PAW WINNEE 3-181	SI	3/9S/21E	4/02	2.7	0.0	33.8
SOUTHMAN CYN 9-24-42-30	P	30/9S/24E	10/06	0.3	6.4	23.5
WEEKS 6-154	SI	6/9S/21E	10/02	2.1	1.4	20.0

Since January 2006, major development activity has occurred for the deeper potential reservoirs in the study area. Of note are Questar Exploration and Production Company's ("Questar") drilling permits. In 2006, they permitted 10 wells deeper than 12,000'. Permits issued in 2007 increased to 55, with the majority targeting the Dakota and other zones down to 17,000'. Production data on these wells is not yet available, but results reported in news releases and investor presentations from Questar are reporting good success in these efforts.

RESERVE SUMMARY

The reserves have been summarized by Phase I and Phase II. Phase I includes the completion of two wells and the drilling of a third well. Phase II is the full development of all Thurston acreage based on two scenarios. The first scenario develops the acreage on 20 acre spacing. The second scenario develops the acreage on 40 acre spacing. As of January 1, 2008, Thurston's net Reserves, future net income ("FNI"), and net present worth discounted at 10 percent per annum ("NPV") have been estimated to be as follows:

TABLE 1

TABLE I				
Reserve Class/Cat	Net Reserves -- As of 01/01/2008		FNI (USD, \$)	NPV Disc. @ 10% (USD, \$)
	Oil & Condensate (bbl)	Natural Gas (Mcf)		
PHASE I				
Probable Non-Producing	9,110	2,250,000	12,351,310	6,463,710
Probable Undeveloped	4,100	864,020	3,279,540	1,162,360
Total Probable	13,210	3,114,020	15,630,850	7,626,070
PHASE II				
Probable Undeveloped - 20 Acres	745,520	155,750,860	575,349,970	104,884,460
Probable Undeveloped - 40 Acres	377,320	79,476,320	292,794,490	71,086,630

* Totals in Table 1 may not exactly match values in the attached cash flow summaries and tabular summaries due to computer rounding.

FNI is after deducting estimated operating and future development costs, severance and ad valorem taxes, but before Federal income taxes. Total net Probable Reserves are defined as those natural gas and hydrocarbon liquid Reserves to Thurston's interests after deducting all royalties, overriding royalties, and reversionary interests owned by outside parties that become effective upon payout of specified monetary balances. All Reserves estimates have been prepared using standard engineering practices generally accepted by the petroleum industry and conform to guidelines developed and adopted by the Society of Petroleum Engineers ("SPE"), American Association of Petroleum Geologists ("AAPG"), World Petroleum Council ("WPC"), and the Society of Petroleum Evaluation Engineers ("SPEE"). All hydrocarbon liquid Reserves are expressed in United States barrels ("bbl") of 42 gallons. Natural gas Reserves are expressed in thousand standard cubic feet ("Mcf") at the contractual pressure and temperature bases.

RESERVE ESTIMATE METHODOLOGY

The Reserves estimates contained in this report have been prepared using standard engineering practices generally accepted by the petroleum industry. Decline curve analysis was used to estimate the remaining Reserves of the analogy pressure depletion reservoirs with enough historical production data to establish decline trends. Non-producing Reserves were estimated by volumetric analysis, research of analogous reservoirs, or a combination of

both. The maximum remaining Reserves life assigned to wells included in this report is 40 years.

RESERVE CLASSIFICATION

The Reserves estimates included in this report conform to the guidelines specified by the SPE, AAPG, WPC, and SPEE. For more information regarding reserve classification definitions see Appendix A. A complete discussion of the Reserves classification definitions can be found on the SPE website (www.spe.org).

COMMODITY PRICES

Future hydrocarbon revenues were estimated using the New York Mercantile Exchange ("NYMEX") prices outlined in Table 2.

TABLE 2		
NYMEX PRICES		
	Natural	Hydrocarbon
	Gas	Liquids
Date	(\$/MMBtu)	(\$/Bbl)
2007	7.87	85.71
2008	7.54	77.24
2009	7.39	75.68
2010	7.28	75.55
Thereafter	7.22	75.69

Since a gas contract has not been executed, it was assumed the gas contract price will be equivalent to the NYMEX price. The average difference between the wellhead price and the NYMEX price represents adjustments for BTU content, shrinkage, marketing, and transportation costs. These adjustments were applied to the NYMEX prices listed in Table 2.

Oil prices reported in the area were indexed to the monthly average of the daily closing prices received at the Cushing, Oklahoma delivery point. The average difference between the wellhead oil price and the NYMEX price represents adjustments for crude quality, marketing fees, and BS&W, transportation costs and purchaser bonuses. These adjustments were applied to the NYMEX prices listed in Table 2.

OPERATING EXPENSES & CAPITAL COSTS

Since operating costs were not available, operating costs were estimated based on knowledge of analogous wells producing under similar conditions. The lease operating expenses in this report represent field level operating costs and include COPAS charges.

Capital costs were estimated using recent historical information reported by Thurston for analogous expenditures. The capital costs provided by the Thurston have been checked for reasonableness. For the purpose of this report, salvage value for each project was assumed to be equal to the abandonment costs.

Operating expenses and capital costs were not escalated in this evaluation.

DISCLAIMERS

All information pertaining to the operating expenses, prices, and the interests of Thurston in the properties appraised has been accepted as represented. It was not considered necessary to make a field examination of the appraised properties. Data used in performing this appraisal were obtained from Thurston, public sources, and our own files. Supporting work papers pertinent to the appraisal are retained in our files and are available to you or designated parties at your convenience.

It was beyond the scope of this HPESI report to evaluate the potential environmental liability costs from the operation and abandonment of these properties. In addition, no evaluation was made to determine the degree of operator compliance with current environmental rules, regulations, and reporting requirements. Therefore, no estimate of the potential economic liability, if any, from environmental concerns is included in the forecasts presented herein.

The Probable Reserves presented in this report are estimates only and should not be construed as being exact quantities. They may or may not be actually recovered; and, if recovered, the revenues therefrom and the actual costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the product prices and the costs incurred in recovering these Reserves may vary from the price and cost assumptions in this report. In any case, quantities of Probable Reserves may increase or decrease as a result of future operations.

Attached are summary tables of economic analysis of predicted future performance. Other tables identify the properties appraised with summary Reserves and the economic factors applicable to each. A list of tables is included.

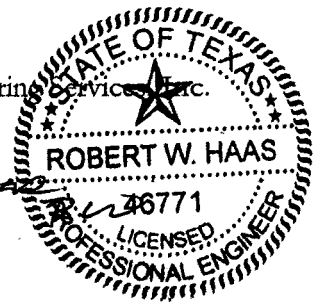
We appreciate this opportunity to have been of service and hope that this report will fulfill your requirements.

Respectfully submitted,

Haas Petroleum Engineering Services, Inc.

Robert W Haas

Robert W. Haas, P.E.



Rodger L Walker

Rodger L. Walker, P.E.



RWH/RLW: uac
Attachments

CHINA OIL & GAS GROUP, LIMITED
LIST OF ECONOMIC TABLES

Table No.

Summary Economic Analysis Cash Flow

PHASE I

Total Probable	3
Probable Non-Producing.....	4
Probable Undeveloped.....	5

PHASE II

Probable Undeveloped – 20 Acre.....	6
Probable Undeveloped – 40 Acre.....	7

Tabular Summary of Economic Analysis

All Reserve Categories – Phase I.....	8
---------------------------------------	---

Gross Ultimate Reserves, Cumulative Production and Basic Economic Data

All Reserve Categories – Phase I.....	9
---------------------------------------	---

Appendix

APPENDIX A

In March 2007, the SPE Board approved a new system for defining hydrocarbon reserves and resources. The updated definitions were developed over two years in coordination with WPC, AAPG, and SPEE. The tables below were taken from the SPE publication titled "Petroleum Resources Management System" and contain the updated reserves definitions and guidelines.

RESERVES STATUS DEFINITIONS AND GUIDELINES

Status	Definition	Guidelines
Developed Reserves	Developed Reserves are expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-Producing.
Developed Producing Reserves	Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.	Improved recovery reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.	Shut-in Reserves are expected to be recovered from (1) completion intervals which are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells which will require additional completion work or future re-completion prior to start of production. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.
Undeveloped Reserves	Undeveloped Reserves are quantities expected to be recovered through future investments:	(1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g. when compared to the cost of drilling a new well) is required to (a) recompleting an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

RESERVES CATEGORY DEFINITIONS AND GUIDELINES

Category	Definition	Guidelines
Proved Reserves	Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.	<p>If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.</p> <p>The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.</p> <p>In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the lowest known hydrocarbon (LKH) as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves (see "2001 Supplemental Guidelines," Chapter 8).</p> <p>Reserves in undeveloped locations may be classified as Proved provided that: 1) The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially productive. 2) Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations.</p> <p>For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.</p>

Category	Definition	Guidelines
Probable Reserves	Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	<p>It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.</p> <p>Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria.</p> <p>Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.</p>
Possible Reserves	Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.	<p>The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.</p> <p>Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of commercial production from the reservoir by a defined project.</p> <p>Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.</p>
Probable and Possible Reserves	(See above for separate criteria for Probable Reserves and Possible Reserves.)	<p>The 2P and 3P estimates may be based on reasonable alternative technical and commercial interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects.</p> <p>In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area.</p> <p>Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing, faults until this reservoir is penetrated and evaluated as commercially productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources.</p> <p>In conventional accumulations, where drilling has defined a highest known oil (HKO) elevation and there exists the potential for an associated gas cap, Proved oil Reserves should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.</p>

Cash Flow Summaries

ECONOMIC SUMMARY PROJECTION

Project Name : China Oil & Gas
 Partner : All Cases
 Case Type : REPORT BREAK TOTAL CASE
 Archive Set :

As Of Date : 1/1/2008
 Discount Rate (%) : 10.00

Total Probable
TABLE 3

Cum Oil (Mbbbl) : 0.00
 Cum Gas (MMcf) : 0.00

Year	Gross Oil (Mbbbl)	Gross Gas (MMcf)	Net Oil (Mbbbl)	Net Gas (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Oil Revenue (M\$)	Gas Revenue (M\$)	Misc. Revenue (M\$)	Total Revenue (M\$)
2008	3.52	387.33	2.64	290.50	73.71	8.13	194.52	2,363.06	0.00	2,557.59
2009	1.72	287.19	1.29	215.39	66.43	7.77	85.60	1,673.90	0.00	1,759.50
2010	1.00	210.56	0.75	157.92	65.08	7.61	48.89	1,201.20	0.00	1,250.09
2011	0.71	172.72	0.53	129.54	64.97	7.49	34.57	969.65	0.00	1,004.22
2012	0.55	149.58	0.41	112.19	65.09	7.42	26.90	832.38	0.00	859.28
2013	0.45	132.79	0.34	99.59	65.09	7.42	21.90	738.91	0.00	760.81
2014	0.38	120.58	0.28	90.44	65.09	7.42	18.51	670.99	0.00	689.50
2015	0.33	111.04	0.25	83.28	65.09	7.42	16.03	617.89	0.00	633.91
2016	0.29	103.60	0.22	77.70	65.09	7.42	14.17	576.48	0.00	590.65
2017	0.26	97.13	0.19	72.85	65.09	7.42	12.63	540.48	0.00	553.11
2018	0.23	91.04	0.18	68.28	65.09	7.42	11.43	506.62	0.00	518.05
2019	0.21	85.58	0.16	64.19	65.09	7.42	10.43	476.25	0.00	486.68
2020	0.20	80.67	0.15	60.50	65.09	7.42	9.62	448.88	0.00	458.50
2021	0.18	75.62	0.14	56.71	65.09	7.42	8.88	420.78	0.00	429.65
2022	0.17	71.08	0.13	53.31	65.09	7.42	8.26	395.55	0.00	403.81
Sub	10.20	2,176.50	7.65	1,632.37	68.28	7.62	522.34	12,433.00	0.00	12,955.34
Rem	1.95	823.50	1.46	617.63	65.09	7.42	95.16	4,582.47	0.00	4,677.64
Total	12.15	3,000.00	9.11	2,250.00	67.77	7.56	617.50	17,015.48	0.00	17,632.98
Ult	12.15	3,000.00								

Year	Gross Completion No.	Net Tax Severance (M\$)	Net Tax AdValorem (M\$)	Net Oper. Expenses (M\$)	Net Oper. Revenue (M\$)	Net Investment (M\$)	Net BFIT Income (M\$)	Net Cum Income (M\$)	Cum Disc. Cash Flow (M\$)
2008	2	37.68	127.88	67.20	2,324.83	1,200.00	1,124.83	1,124.83	1,021.21
2009	2	81.45	87.98	67.20	1,522.88	0.00	1,522.88	2,647.70	2,345.93
2010	2	57.80	62.50	67.20	1,062.59	0.00	1,062.59	3,710.29	3,185.08
2011	2	46.40	50.21	67.20	840.41	0.00	840.41	4,550.70	3,788.13
2012	2	39.69	42.96	67.20	709.43	0.00	709.43	5,260.13	4,250.74
2013	2	35.13	38.04	67.20	620.44	0.00	620.44	5,880.57	4,618.45
2014	2	31.83	34.47	67.20	555.99	0.00	555.99	6,436.56	4,917.98
2015	2	29.26	31.70	67.20	505.76	0.00	505.76	6,942.33	5,165.67
2016	2	27.25	29.53	67.20	466.66	0.00	466.66	7,408.99	5,373.40
2017	2	25.52	27.66	67.20	432.73	0.00	432.73	7,841.72	5,548.51
2018	2	23.90	25.90	67.20	401.05	0.00	401.05	8,242.77	5,696.05
2019	2	22.45	24.33	67.20	372.69	0.00	372.69	8,615.46	5,820.69
2020	2	21.15	22.92	67.20	347.22	0.00	347.22	8,962.68	5,926.26
2021	2	19.82	21.48	67.20	321.15	0.00	321.15	9,283.84	6,015.02
2022	2	18.62	20.19	67.20	297.79	0.00	297.79	9,581.63	6,089.84
Sub		517.94	647.77	1,008.00	10,781.63	1,200.00	9,581.63	9,581.63	6,089.84
Rem.		215.74	233.88	1,458.33	2,769.68	0.00	2,769.68	2,769.68	373.86
Total		733.69	881.65	2,466.33	13,551.31	1,200.00	12,351.31	12,351.31	6,463.71

Present Worth Profile (M\$)

PW 5.00% : 8,442.02
 PW 8.00% : 7,121.45
 PW 12.00% : 5,927.25
 PW 15.00% : 5,284.98
 PW 18.00% : 4,780.29
 PW 20.00% : 4,499.23

ECONOMIC SUMMARY PROJECTION

Project Name : China Oil & Gas
 Partner : All Cases
 Case Type : REPORT BREAK TOTAL CASE
 Archive Set :

As Of Date : 1/1/2008
 Discount Rate (%) : 10.00

Probable Rsv Class
 Non-Producing Rsv Category
TABLE 4

Cum Oil (Mbbbl) : 0.00
 Cum Gas (MMcf) : 0.00

Year	Gross Oil (Mbbbl)	Gross Gas (MMcf)	Net Oil (Mbbbl)	Net Gas (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Oil Revenue (M\$)	Gas Revenue (M\$)	Misc. Revenue (M\$)	Total Revenue (M\$)
2008	3.52	387.33	2.64	290.50	73.71	8.13	194.52	2,363.06	0.00	2,557.59
2009	1.72	287.19	1.29	215.39	66.43	7.77	85.60	1,673.90	0.00	1,759.50
2010	1.00	210.56	0.75	157.92	65.08	7.61	48.89	1,201.20	0.00	1,250.09
2011	0.71	172.72	0.53	129.54	64.97	7.49	34.57	969.65	0.00	1,004.22
2012	0.55	149.58	0.41	112.19	65.09	7.42	26.90	832.38	0.00	859.28
2013	0.45	132.79	0.34	99.59	65.09	7.42	21.90	738.91	0.00	760.81
2014	0.38	120.58	0.28	90.44	65.09	7.42	18.51	670.99	0.00	689.50
2015	0.33	111.04	0.25	83.28	65.09	7.42	16.03	617.89	0.00	633.91
2016	0.29	103.60	0.22	77.70	65.09	7.42	14.17	576.48	0.00	590.65
2017	0.26	97.13	0.19	72.85	65.09	7.42	12.63	540.48	0.00	553.11
2018	0.23	91.04	0.18	68.28	65.09	7.42	11.43	506.62	0.00	518.05
2019	0.21	85.58	0.16	64.19	65.09	7.42	10.43	476.25	0.00	486.68
2020	0.20	80.67	0.15	60.50	65.09	7.42	9.62	448.88	0.00	458.50
2021	0.18	75.62	0.14	56.71	65.09	7.42	8.88	420.78	0.00	429.65
2022	0.17	71.08	0.13	53.31	65.09	7.42	8.26	395.55	0.00	403.81
Sub	10.20	2,176.50	7.65	1,632.37	68.28	7.62	522.34	12,433.00	0.00	12,955.34
Rem	1.95	823.50	1.46	617.63	65.09	7.42	95.16	4,582.47	0.00	4,677.64
Total	12.15	3,000.00	9.11	2,250.00	67.77	7.56	617.50	17,015.48	0.00	17,632.98
Ult	12.15	3,000.00								

Year	Gross Completion No.	Net Tax Severance (M\$)	Net Tax AdValorem (M\$)	Net Oper. Expenses (M\$)	Net Oper. Revenue (M\$)	Net Investment (M\$)	Net BFIT Income (M\$)	Net Cum Income (M\$)	Cum Disc. Cash Flow (M\$)
2008	2	37.68	127.88	67.20	2,324.83	1,200.00	1,124.83	1,124.83	1,021.21
2009	2	81.45	87.98	67.20	1,522.88	0.00	1,522.88	2,647.70	2,345.93
2010	2	57.80	62.50	67.20	1,062.59	0.00	1,062.59	3,710.29	3,185.08
2011	2	46.40	50.21	67.20	840.41	0.00	840.41	4,550.70	3,788.13
2012	2	39.69	42.96	67.20	709.43	0.00	709.43	5,260.13	4,250.74
2013	2	35.13	38.04	67.20	620.44	0.00	620.44	5,880.57	4,618.45
2014	2	31.83	34.47	67.20	555.99	0.00	555.99	6,436.56	4,917.98
2015	2	29.26	31.70	67.20	505.76	0.00	505.76	6,942.33	5,165.67
2016	2	27.25	29.53	67.20	466.66	0.00	466.66	7,408.99	5,373.40
2017	2	25.52	27.66	67.20	432.73	0.00	432.73	7,841.72	5,548.51
2018	2	23.90	25.90	67.20	401.05	0.00	401.05	8,242.77	5,696.05
2019	2	22.45	24.33	67.20	372.69	0.00	372.69	8,615.46	5,820.69
2020	2	21.15	22.92	67.20	347.22	0.00	347.22	8,962.68	5,926.26
2021	2	19.82	21.48	67.20	321.15	0.00	321.15	9,283.84	6,015.02
2022	2	18.62	20.19	67.20	297.79	0.00	297.79	9,581.63	6,089.84
Sub		517.94	647.77	1,008.00	10,781.63	1,200.00	9,581.63	9,581.63	6,089.84
Rem.		215.74	233.88	1,458.33	2,769.68	0.00	2,769.68	2,769.68	373.86
Total		733.69	881.65	2,466.33	13,551.31	1,200.00	12,351.31	12,351.31	6,463.71

Present Worth Profile (M\$)

PW 5.00% : 8,442.02
 PW 8.00% : 7,121.45
 PW 12.00% : 5,927.25
 PW 15.00% : 5,284.98
 PW 18.00% : 4,780.29
 PW 20.00% : 4,499.23

ECONOMIC SUMMARY PROJECTION

Project Name : China Oil & Gas
 Partner : All Cases
 Case Type : REPORT BREAK TOTAL CASE
 Archive Set :

As Of Date : 1/1/2008
 Discount Rate (%) : 10.00

Probable Rsv Class
 Undeveloped Rsv Category
TABLE 5

Cum Oil (Mbbbl) : 0.00
 Cum Gas (MMcf) : 0.00

Year	Gross Oil (Mbbbl)	Gross Gas (MMcf)	Net Oil (Mbbbl)	Net Gas (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Oil Revenue (M\$)	Gas Revenue (M\$)	Misc. Revenue (M\$)	Total Revenue (M\$)
2008	1.30	127.42	0.97	95.57	73.71	8.13	71.83	777.38	0.00	849.20
2009	0.89	121.72	0.67	91.29	66.43	7.77	44.42	709.48	0.00	753.89
2010	0.50	86.44	0.38	64.83	65.08	7.61	24.44	493.16	0.00	517.60
2011	0.35	70.07	0.26	52.55	64.97	7.49	17.04	393.39	0.00	410.43
2012	0.27	60.30	0.20	45.23	65.09	7.42	13.16	335.57	0.00	348.73
2013	0.22	53.32	0.16	39.99	65.09	7.42	10.66	296.72	0.00	307.39
2014	0.18	48.29	0.14	36.22	65.09	7.42	8.98	268.73	0.00	277.71
2015	0.16	44.38	0.12	33.29	65.09	7.42	7.76	246.98	0.00	254.74
2016	0.14	41.35	0.11	31.01	65.09	7.42	6.85	230.09	0.00	236.94
2017	0.12	38.73	0.09	29.05	65.09	7.42	6.10	215.51	0.00	221.61
2018	0.11	36.30	0.08	27.23	65.09	7.42	5.51	202.00	0.00	207.51
2019	0.10	34.12	0.08	25.59	65.09	7.42	5.02	189.89	0.00	194.91
2020	0.09	32.16	0.07	24.12	65.09	7.42	4.63	178.98	0.00	183.61
2021	0.09	30.15	0.07	22.61	65.09	7.42	4.27	167.77	0.00	172.04
2022	0.08	28.34	0.06	21.26	65.09	7.42	3.97	157.71	0.00	161.68
Sub	4.62	853.12	3.46	639.84	67.77	7.60	234.64	4,863.36	0.00	5,098.00
Rem	0.85	298.90	0.64	224.18	65.09	7.42	41.61	1,663.28	0.00	1,704.89
Total	5.47	1,152.02	4.10	864.02	67.35	7.55	276.25	6,526.64	0.00	6,802.89
Ult	5.47	1,152.02								

Year	Gross Completion No.	Net Tax Severance (M\$)	Net Tax AdValorem (M\$)	Net Oper. Expenses (M\$)	Net Oper. Revenue (M\$)	Net Investment (M\$)	Net BFIT Income (M\$)	Net Cum Income (M\$)	Cum Disc. Cash Flow (M\$)
2008	1	11.59	42.46	19.69	775.47	1,800.00	-1,024.53	-1,024.53	-1,016.36
2009	1	34.95	37.69	33.60	647.65	0.00	647.65	-376.88	-452.70
2010	1	23.96	25.88	33.60	434.16	0.00	434.16	57.28	-109.77
2011	1	18.98	20.52	33.60	337.32	0.00	337.32	394.60	132.30
2012	1	16.12	17.44	33.60	281.57	0.00	281.57	676.18	315.93
2013	1	14.20	15.37	33.60	244.22	0.00	244.22	920.39	460.67
2014	1	12.83	13.89	33.60	217.40	0.00	217.40	1,137.79	577.79
2015	1	11.76	12.74	33.60	196.64	0.00	196.64	1,334.43	674.10
2016	1	10.94	11.85	33.60	180.55	0.00	180.55	1,514.98	754.47
2017	1	10.23	11.08	33.60	166.70	0.00	166.70	1,681.68	821.93
2018	1	9.58	10.38	33.60	153.96	0.00	153.96	1,835.64	878.56
2019	1	9.00	9.75	33.60	142.57	0.00	142.57	1,978.21	926.25
2020	1	8.47	9.18	33.60	132.35	0.00	132.35	2,110.56	966.49
2021	1	7.94	8.60	33.60	121.90	0.00	121.90	2,232.46	1,000.18
2022	1	7.46	8.08	33.60	112.54	0.00	112.54	2,345.00	1,028.46
Sub		208.01	254.90	490.09	4,145.00	1,800.00	2,345.00	2,345.00	1,028.46
Rem.		78.67	85.24	606.43	934.55	0.00	934.55	934.55	133.91
Total		286.68	340.14	1,096.52	5,079.54	1,800.00	3,279.54	3,279.54	1,162.36

Present Worth Profile (M\$)

PW 5.00% : 1,886.70
 PW 8.00% : 1,404.18
 PW 12.00% : 964.87
 PW 15.00% : 728.72
 PW 18.00% : 544.04
 PW 20.00% : 441.81

ECONOMIC SUMMARY PROJECTION

Project Name : China Oil & Gas
 Partner : All Cases
 Case Type : GRAND TOTAL CASE
 Archive Set :

As Of Date : 1/1/2008
 Discount Rate (%) : 10.00
 20 AC. DEVELOPMENT

Probable Rsv Class
 Undeveloped Rsv Category
TABLE 6

Cum Oil (Mbbbl) : 0.00
 Cum Gas (MMcf) : 0.00

Year	Gross Oil (Mbbbl)	Gross Gas (MMcf)	Net Oil (Mbbbl)	Net Gas (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Oil Revenue (M\$)	Gas Revenue (M\$)	Misc. Revenue (M\$)	Total Revenue (M\$)
2008	6.15	576.99	4.61	432.74	73.71	8.13	340.04	3,520.14	0.00	3,860.18
2009	22.37	2,408.75	16.77	1,806.57	66.43	7.77	1,114.23	14,039.72	0.00	15,153.95
2010	30.17	3,622.53	22.63	2,716.89	65.08	7.61	1,472.64	20,666.06	0.00	22,138.70
2011	35.15	4,556.11	26.36	3,417.09	64.97	7.49	1,712.72	25,578.59	0.00	27,291.31
2012	38.93	5,353.67	29.19	4,015.25	65.09	7.42	1,900.34	29,791.17	0.00	31,691.51
2013	41.75	6,024.93	31.31	4,518.70	65.09	7.42	2,038.05	33,526.50	0.00	35,564.54
2014	44.20	6,642.08	33.15	4,981.56	65.09	7.42	2,157.83	36,960.70	0.00	39,118.53
2015	46.26	7,202.17	34.69	5,401.63	65.09	7.42	2,258.22	40,077.38	0.00	42,335.60
2016	48.18	7,741.82	36.14	5,806.37	65.09	7.42	2,352.32	43,080.34	0.00	45,432.67
2017	49.64	8,205.31	37.23	6,153.98	65.09	7.42	2,423.62	45,659.46	0.00	48,083.08
2018	51.07	8,659.67	38.30	6,494.75	65.09	7.42	2,493.40	48,187.83	0.00	50,681.22
2019	52.39	9,087.89	39.29	6,815.92	65.09	7.42	2,557.81	50,570.72	0.00	53,128.52
2020	53.76	9,518.16	40.32	7,138.62	65.09	7.42	2,624.69	52,965.01	0.00	55,589.70
2021	54.71	9,868.95	41.03	7,401.71	65.09	7.42	2,670.72	54,917.00	0.00	57,587.71
2022	55.72	10,222.98	41.79	7,667.24	65.09	7.42	2,720.21	56,887.05	0.00	59,607.26
Sub	630.44	99,692.03	472.83	74,769.02	65.22	7.44	30,836.84	556,427.66	0.00	587,264.50
Rem	363.59	107,975.79	272.69	80,981.84	65.09	7.42	17,750.30	600,844.77	0.00	618,595.07
Total	994.03	207,667.82	745.52	155,750.86	65.17	7.43	48,587.14	1,157,272.43	0.00	1,205,859.57
Ult	994.03	207,667.82								

Year	Gross Completion No.	Net Tax Severance (M\$)	Net Tax AdValorem (M\$)	Net Oper. Expenses (M\$)	Net Oper. Revenue (M\$)	Net Investment (M\$)	Net BFIT Income (M\$)	Net Cum Income (M\$)	Cum Disc. Cash Flow (M\$)
2008	8	29.66	193.01	80.50	3,557.01	16,200.00	-12,642.99	-12,642.99	-11,912.81
2009	20	374.77	757.70	461.22	13,560.27	21,600.00	-8,039.73	-20,682.72	-18,900.67
2010	32	697.66	1,106.94	869.95	19,464.16	21,600.00	-2,135.84	-22,818.56	-20,607.98
2011	44	934.03	1,364.57	1,278.68	23,714.04	21,600.00	2,114.04	-20,704.52	-19,128.72
2012	56	1,131.18	1,584.58	1,688.35	27,287.40	21,600.00	5,687.40	-15,017.12	-15,473.17
2013	69	1,303.53	1,778.23	2,097.33	30,385.46	23,400.00	6,985.46	-8,031.66	-11,347.85
2014	81	1,482.02	1,955.93	2,506.40	33,174.19	21,600.00	11,574.19	3,542.54	-5,094.89
2015	93	1,645.41	2,116.78	2,915.13	35,658.28	21,600.00	14,058.28	17,600.82	1,792.31
2016	105	1,778.93	2,271.63	3,324.83	38,057.27	21,600.00	16,457.27	34,058.09	9,106.97
2017	117	1,894.76	2,404.15	3,733.69	40,050.48	21,600.00	18,450.48	52,508.57	16,550.37
2018	129	2,007.53	2,534.06	4,142.41	41,997.21	21,600.00	20,397.21	72,905.79	24,023.53
2019	142	2,112.94	2,656.43	4,551.32	43,807.83	23,400.00	20,407.83	93,313.62	30,840.20
2020	154	2,249.90	2,779.48	4,961.31	45,599.00	21,600.00	23,999.00	117,312.62	38,144.93
2021	166	2,346.54	2,879.39	5,370.14	46,991.65	21,600.00	25,391.65	142,704.27	45,161.26
2022	178	2,432.43	2,980.36	5,778.86	48,415.60	21,600.00	26,815.60	169,519.87	51,890.85
Sub		22,421.28	29,363.22	43,760.11	491,719.87	322,200.00	169,519.87	169,519.87	51,890.85
Rem.		28,331.92	30,929.75	144,503.31	414,830.09	9,000.00	405,830.09	405,830.09	52,993.61
Total		50,753.20	60,292.98	188,263.42	906,549.97	331,200.00	575,349.97	575,349.97	104,884.46

Present Worth Profile (M\$)

PW 5.00% : 232,335.97
 PW 8.00% : 142,810.79
 PW 12.00% : 77,657.59
 PW 15.00% : 49,779.71
 PW 18.00% : 31,667.55
 PW 20.00% : 23,061.75

ECONOMIC SUMMARY PROJECTION

Project Name : China Oil & Gas
 Partner : All Cases
 Case Type : GRAND TOTAL CASE
 Archive Set :

As Of Date : 1/1/2008
 Discount Rate (%) : 10.00
 40 AC. DEVELOPMENT

Probable Rsv Class
 Undeveloped Rsv Category
TABLE 7

Cum Oil (Mbbbl) : 0.00
 Cum Gas (MMcf) : 0.00

Year	Gross Oil (Mbbbl)	Gross Gas (MMcf)	Net Oil (Mbbbl)	Net Gas (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Oil Revenue (M\$)	Gas Revenue (M\$)	Misc. Revenue (M\$)	Total Revenue (M\$)
2008	6.15	576.99	4.61	432.74	73.71	8.13	340.04	3,520.14	0.00	3,860.18
2009	22.37	2,408.75	16.77	1,806.57	66.43	7.77	1,114.23	14,039.72	0.00	15,153.95
2010	30.17	3,622.53	22.63	2,716.89	65.08	7.61	1,472.64	20,666.06	0.00	22,138.70
2011	35.15	4,556.11	26.36	3,417.09	64.97	7.49	1,712.72	25,578.59	0.00	27,291.31
2012	38.93	5,353.67	29.19	4,015.25	65.09	7.42	1,900.34	29,791.17	0.00	31,691.51
2013	41.75	6,024.93	31.31	4,518.70	65.09	7.42	2,038.05	33,526.50	0.00	35,564.54
2014	44.20	6,642.08	33.15	4,981.56	65.09	7.42	2,157.83	36,960.70	0.00	39,118.53
2015	46.14	7,192.44	34.61	5,394.33	65.09	7.42	2,252.58	40,023.20	0.00	42,275.78
2016	33.50	6,283.32	25.12	4,712.49	65.09	7.42	1,635.28	34,964.34	0.00	36,599.62
2017	23.29	5,209.21	17.47	3,906.91	65.09	7.42	1,136.89	28,987.31	0.00	30,124.20
2018	18.49	4,600.25	13.87	3,450.19	65.09	7.42	902.81	25,598.69	0.00	26,501.50
2019	15.49	4,169.48	11.62	3,127.11	65.09	7.42	756.30	23,201.59	0.00	23,957.89
2020	13.42	3,846.35	10.07	2,884.76	65.09	7.42	655.33	21,403.47	0.00	22,058.80
2021	11.81	3,562.15	8.86	2,671.61	65.09	7.42	576.75	19,822.03	0.00	20,398.78
2022	10.59	3,328.03	7.94	2,496.03	65.09	7.42	516.92	18,519.26	0.00	19,036.18
Sub	391.44	67,376.31	293.58	50,532.23	65.29	7.45	19,168.73	376,602.78	0.00	395,771.51
Rem	111.66	38,592.12	83.75	28,944.09	65.09	7.42	5,451.25	214,750.70	0.00	220,201.94
Total	503.10	105,968.43	377.32	79,476.32	65.25	7.44	24,619.98	591,353.48	0.00	615,973.46
Ult	503.10	105,968.43								

Year	Gross Completion No.	Net Tax Severance (M\$)	Net Tax AdValorem (M\$)	Net Oper. Expenses (M\$)	Net Oper. Revenue (M\$)	Net Investment (M\$)	Net BFIT Income (M\$)	Net Cum Income (M\$)	Cum Disc. Cash Flow (M\$)
2008	8	29.66	193.01	80.50	3,557.01	16,200.00	-12,642.99	-12,642.99	-11,912.81
2009	20	374.77	757.70	461.22	13,560.27	21,600.00	-8,039.73	-20,682.72	-18,900.67
2010	32	697.66	1,106.94	869.95	19,464.16	21,600.00	-2,135.84	-22,818.56	-20,607.98
2011	44	934.03	1,364.57	1,278.68	23,714.04	21,600.00	2,114.04	-20,704.52	-19,128.72
2012	56	1,131.18	1,584.58	1,688.35	27,287.40	21,600.00	5,687.40	-15,017.12	-15,473.17
2013	69	1,303.53	1,778.23	2,097.33	30,385.46	23,400.00	6,985.46	-8,031.66	-11,347.85
2014	81	1,482.02	1,955.93	2,506.40	33,174.19	21,600.00	11,574.19	3,542.54	-5,094.89
2015	92	1,645.12	2,113.79	2,914.13	35,602.75	18,000.00	17,602.75	21,145.28	3,457.24
2016	92	1,650.65	1,829.98	3,091.20	30,027.79	0.00	30,027.79	51,173.07	16,846.06
2017	92	1,392.53	1,506.21	3,091.20	24,134.26	0.00	24,134.26	75,307.33	26,618.90
2018	92	1,224.49	1,325.07	3,091.20	20,860.74	0.00	20,860.74	96,168.07	34,296.35
2019	92	1,106.60	1,197.89	3,091.20	18,562.20	0.00	18,562.20	114,730.26	40,506.17
2020	92	1,018.64	1,102.94	3,091.20	16,846.03	0.00	16,846.03	131,576.29	45,628.72
2021	92	941.80	1,019.94	3,091.20	15,345.84	0.00	15,345.84	146,922.13	49,870.27
2022	92	878.77	951.81	3,091.20	14,114.41	0.00	14,114.41	161,036.54	53,416.89
Sub		15,811.44	19,788.58	33,534.95	326,636.54	165,600.00	161,036.54	161,036.54	53,416.89
Rem.		10,162.00	11,010.10	67,271.90	131,757.95	0.00	131,757.95	131,757.95	17,669.73
Total		25,973.44	30,798.67	100,806.85	458,394.49	165,600.00	292,794.49	292,794.49	71,086.63

Present Worth Profile (M\$)

PW 5.00% : 138,580.95
 PW 8.00% : 92,306.52
 PW 12.00% : 54,939.13
 PW 15.00% : 37,265.30
 PW 18.00% : 24,883.62
 PW 20.00% : 18,647.57

Tabular Summaries

Economic One-Liners

Project Name : China Oil & Gas

As of Date: 1/1/2008

Ownership Group : All Cases

TABLE 8

Lease Name	Reserve Category	Net Reserves		Net Revenue			Expense & Tax (M\$)	Invest. (M\$)	Cash Flow		Life (years)
		Oil (Mbbbl)	Gas (MMcf)	Oil (M\$)	Gas (M\$)	Other (M\$)			Non-Disc. (M\$)	Disc. 10% (M\$)	
Probable Rsv Class											
Non-Producing Rsv Category											
DD 1-18	PR-NP	4.56	1,125.00	308.75	8,507.74	0.00	2,040.84	600.00	6,175.65	3,231.85	36.71
DD 22X-27	PR-NP	4.56	1,125.00	308.75	8,507.74	0.00	2,040.84	600.00	6,175.65	3,231.85	36.71
	Total	9.11	2,250.00	617.50	17,015.48	0.00	4,081.67	1,200.00	12,351.31	6,463.71	36.71
Probable Rsv Class											
Undeveloped Rsv Category											
DD DRILL LOCATION {Well #001}	PR-UD	4.10	864.02	276.25	6,526.64	0.00	1,723.34	1,800.00	3,279.54	1,162.36	33.05
	Total	4.10	864.02	276.25	6,526.64	0.00	1,723.34	1,800.00	3,279.54	1,162.36	33.05
Probable Rsv Class	Total	13.21	3,114.02	893.75	23,542.12	0.00	5,805.02	3,000.00	15,630.85	7,626.07	36.71

Gross Ultimates, Interests, & Prices

**GROSS ULTIMATE RESERVES, CUMULATIVE PRODUCTION
AND BASIC ECONOMIC DATA**

PNP + DRILL 1 - FLAT CASE

As of: 1/1/2008

TABLE 9

LEASE NAME	RES CAT	GROSS ULTIMATE Mbbl	GROSS ULTIMATE MMcf	CUM OIL Mbbl	CUM GAS MMcf	EXPENSE INITIAL DECIMAL	INTEREST FINAL DECIMAL	REVENUE INITIAL DECIMAL	INTEREST FINAL DECIMAL	OIL PRC INITIAL \$/bbl	GAS PRC INITIAL \$/Mcf	TOTAL OP COST INITIAL \$/MO
Probable Rsv Class												
Non-Producing Rsv Category												
DD 1-18	PR-NP	6.07	1,500.00	0.00	0.00	1.0000000	1.0000000	0.7500000	0.7500000	73.71	8.13	2,800
DD 22X-27	PR-NP	6.07	1,500.00	0.00	0.00	1.0000000	1.0000000	0.7500000	0.7500000	73.71	8.13	2,800
		12.15	3,000.00	0.00	0.00							
Probable Rsv Class												
Undeveloped Rsv Category												
DD DRILL LOCATION {Well #001}	PR-UD	5.47	1,152.02	0.00	0.00	1.0000000	1.0000000	0.7500000	0.7500000	73.71	8.13	0
		5.47	1,152.02	0.00	0.00							
Probable Rsv Class		17.62	4,152.02	0.00	0.00							

43-047-31617

29 95 24e

***Swift* LOOK**

Multi Stage Gas Well Model

DD 11-29
THURSTON ENERGY
UINTA, UT

API Number: 43047316170000

SwiftLOOK is an interactive reservoir analysis tool combining well log
and stimulation data to predict the well performance

HALLIBURTON

RECEIVED

MAY 24 2011

DIV. OF OIL, GAS & MINING

LIMITATION OF LIABILITY: This study was prepared by and is the property of Halliburton Energy Services, a Division of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of Halliburton management; it may however, be used in the course of regular business operation by any person or concern and employees thereof receiving such study from Halliburton Energy Services; the data reported is intended for the private information of Halliburton Energy Services; accordingly, any user of this study agrees that Halliburton shall not be liable for any loss or damage, regardless of cause, including any act of omission of Halliburton, resulting from the use of the data reported herein; and Halliburton makes no warranties, express or implied, whether of fitness for a particular purpose, merchantability or otherwise, as to the accuracy of the data reported.

Executive Summary

SwiftLOOK predicts a post-stimulation production rate of 751 MSCF/day assuming an infinite fracture half-length of 200ft. This value is based on the analysis of triple combo logging data, previous experience in the area, and on the recommendation of performing 16 hydraulic fracturing treatments. Detailed information about other fracture half-length production values are summarized below.

The SwiftLOOK process assumes the ability to correlate triple combo logging data to reservoir permeabilities and porosities. The accuracy of this interpretation is dependent on many factors, the principle being the detailed study of other wells in the particular field or area and calibration of the SwiftLOOK process with stimulation treatment and production results. Correlation of the triple combo data requires considerable up-front engineering work from someone qualified in the SIGMA process and can be dramatically improved by use of MRIL data and correlation with SwiftLOOK predictions. Besides the ability to correlate the triple combo logs, the accuracy is also affected by the ability to predict reservoir drainage area, ability to predict reservoir rock properties and stresses, and ability to predict stimulation response. The process can be steadily improved by correlation of the SwiftLOOK interpretation with stimulation behavior, both on-site pressure response and post-treatment production response.

Well Data

Well Name: DD 11-29
Operator: THURSTON ENERGY
Location: UINTA, UT

Well Type: Gas
API Number: 43047316170000

WI: 100.0%
NRI: 75.0%
Pwf (ini): 778 psia
Pwf (abn): 100 psia
Rw: 0.25 ft
Pac: 14.7 psia
Tcc: 60 deg F
OGIP: 2.24 BCF

Gas
Gas Gravity: 0.65
% N2: 0.0%
% CO2: 0.0%
% H2S: 0.0%
Condensate? No

Oil
Bo: 1.25 STB/RB
Viscosity: 2 cp
GOR: 2500 SCF/STB
Pbp: 1001 psia
Water
Salinity: 40 kppm
Bw: 1.000 STB/RB
Viscosity: 0.377 cps

Total Number of Zones: 26
Number of Stages: 8
Completed Number of Zones: 25
Initial Frac Length: 50 ft
Frac Length Increment: 50 ft
Economic Limit: 9 mcf/d
Mechanical Limit: 9 mcf/d

Operating Cost: \$1,000.00 /month
Gas Price: \$3.50 mcf/d
Oil Price: \$60.00 /bbl
Gas Sev Tax: 7.5%
Oil Sev Tax: 4.8%
Discount Rate: 10.0%
Condensate Yield: 1 bo/mmcfd

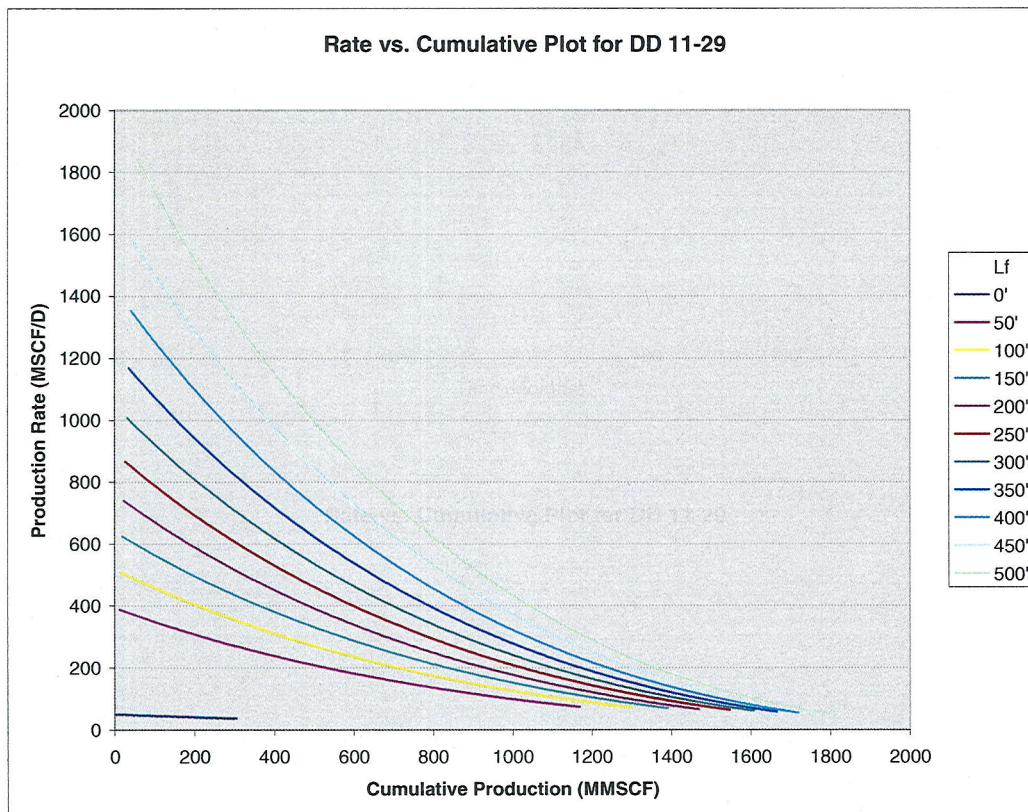
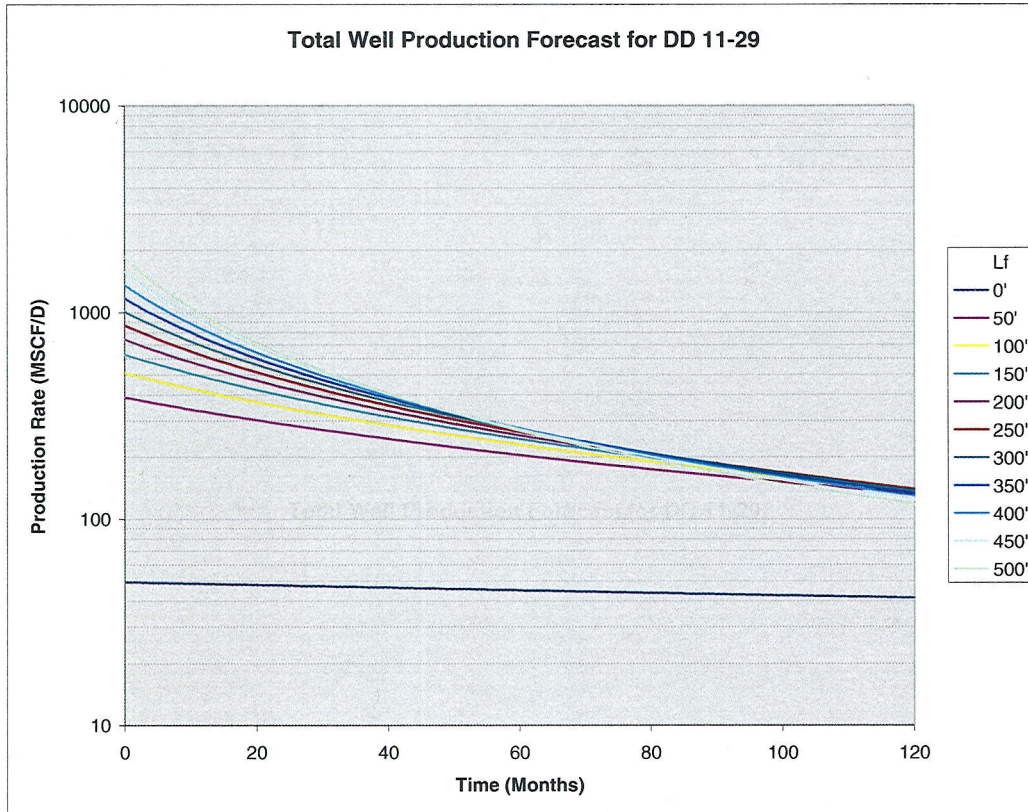
Summary - Stage Properties

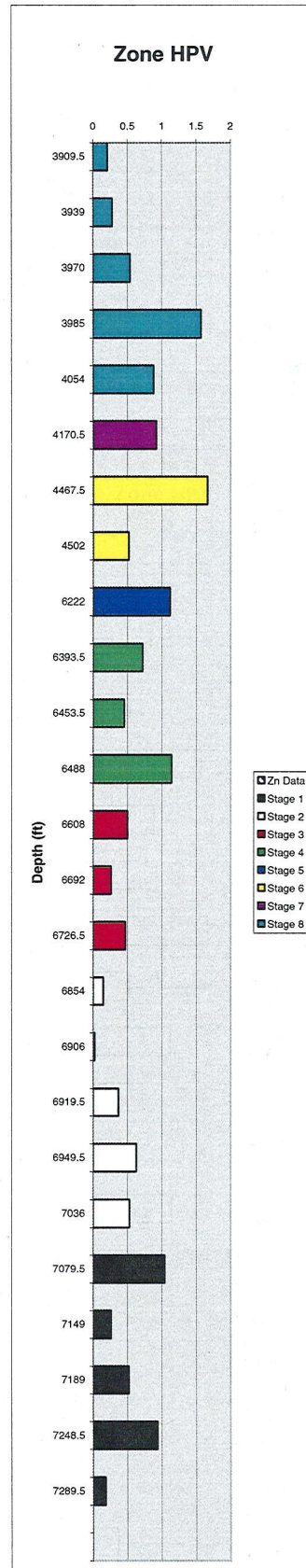
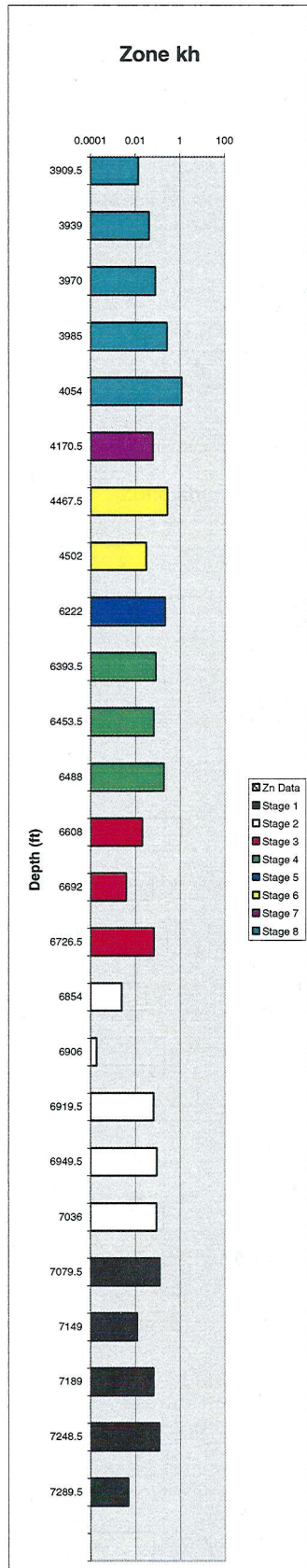
API Number	Stage	Zn Start	Zn Stop	Gross Pay	Net Pay	Porosity	Sw	khy	Pi	Temp	OGIP/Acre	Area	Φ-h	Φ-hSg	khyH	% Total khyH
43047316170000	1	7079.50	7289.00	59.00	40.00	0.11	0.33	0.0326	3110.64	185.40	24210.68	20.00	4.32	2.89	0.33	10.45
43047316170000	2	6854.00	7046.50	64.50	27.50	0.10	0.35	0.0318	3020.79	181.40	13924.90	20.00	2.62	1.69	0.25	7.92
43047316170000	3	6608.00	6738.50	74.00	22.50	0.10	0.44	0.0113	2899.70	177.00	9761.76	20.00	2.17	1.21	0.09	2.92
43047316170000	4	6393.50	6510.00	50.00	36.50	0.11	0.44	0.0272	2801.80	173.53	17992.37	20.00	4.09	2.29	0.33	10.67
43047316170000	5	6222.00	6249.50	27.50	20.50	0.11	0.49	0.0101	2706.00	170.00	8495.32	20.00	2.17	1.11	0.21	6.84
43047316170000	6	4487.50	4524.50	51.00	35.50	0.10	0.39	0.0135	1949.83	142.00	13227.71	20.00	3.61	2.21	0.29	9.40
43047316170000	7	4170.50	4191.00	20.50	13.50	0.14	0.50	0.0045	1815.00	137.00	5179.08	20.00	1.84	0.92	0.06	1.94
43047316170000	8	3909.50	4072.50	84.00	52.50	0.11	0.40	0.1360	1741.25	134.00	18989.81	20.00	5.85	3.50	1.56	50.05
Total		3909.50	7299.00	430.50	248.50	0.11	0.41	0.0126	2505.63	162.52	111781.44	20.00	26.67	15.81	3.12	100.00

Summary - Stage Production

Well Total Production Summary (MSCF/D)

Lf (ft)	0	50	100	150	200	250	300	350	400	450	500
Stage 1	9	69	90	111	132	155	180	210	244	285	336
Stage 2	6	50	66	81	96	113	131	152	177	207	244
Stage 3	2	17	23	28	33	39	46	53	62	72	85
Stage 4	8	60	80	97	116	136	159	185	215	251	296
Stage 5	5	36	47	58	69	80	94	109	127	148	175
Stage 6	4	29	38	47	56	66	77	89	104	121	143
Stage 7	1	5	7	8	10	12	14	16	19	22	26
Stage 8	16	124	163	200	239	280	326	379	441	516	608
Total	49	391	514	630	751	881	1026	1193	1389	1623	1912





Stage 1 Production

Zone	Zone Start	Zone Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
5	7079.5	7095	12	0.1119	0.23	0.010357	1.04	3072	184	20	1.3428	1.033956	3176.313	190.2479	1	15.5
4	7149	7158.5	4.5	0.0968	0.41	0.002724	0.26	3100	185	20	0.8436	0.257004	796.7124	47.54574	1	9.5
3	7189	7200.5	8.5	0.0992	0.39	0.007697	0.52	3118	185	20	0.8432	0.514352	1603.75	95.15512	1	11.5
2	7248.5	7261.5	11.5	0.1208	0.35	0.010384	0.94	3144	186	20	1.3892	0.90298	2838.969	167.9543	1	13
1	7289.5	7299	3.5	0.089	0.43	0.001397	0.18	3160	187	20	0.3115	0.177555	561.0738	33.20279	1	9.5

Zone	Zn Start	Zn Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
Total	7079.5	7299	40	0.11	0.33	0.0326	2.94	3110.64	185.40	20.0	4.32	2.89	8976.82	534.11	1.00	59.00

Lf =	0	50	100	150	200	250	300	350	400	450	500
QI / IP30 =	8.67	68.70	90.33	110.72	131.83	154.72	180.29	209.68	243.90	285.08	335.79

Economic Frac Data

	NPV (\$M)	Incr ROI	Frac Cost (\$M)	Incr ROI Plot Point
50	\$231		114	
100	\$298	7	124	75
150	\$347	5	133	125
200	\$389	4	143	175
250	\$435	5	153	225
300	\$473	4	163	275
350	\$511	4	173	325
400	\$548	4	183	375
450	\$585	4	192	425
500	\$625	4	202	475

Costs	Fixed	Rockies
	\$45,000	Bauxite Frac
Prop	\$200	/Mbs
Fluid	\$450	/Mgal

Actual Lf 200 ft

Lf =	50	100	150	200	250	300	350	400	450	500
Proppant =	86730	99120	111510	123900	136290	148680	161070	173460	185850	198240
Fluid =	114355	130692	147028	163364	179701	196037	212374	228710	245047	261383

Lf =	50	100	150	200	250	300	350	400	450	500
Prop =	17,346	19,824	22,302	24,780	27,258	29,736	32,214	34,692	37,170	39,648
Fluid =	51,460	58,811	66,163	73,514	80,865	88,217	95,568	102,920	110,271	117,622

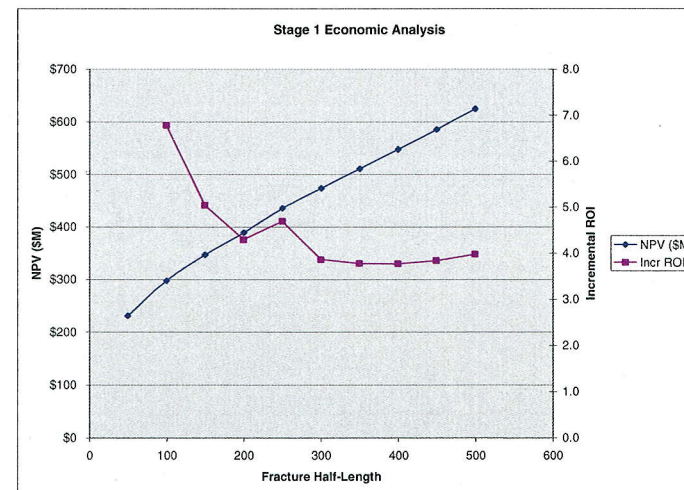
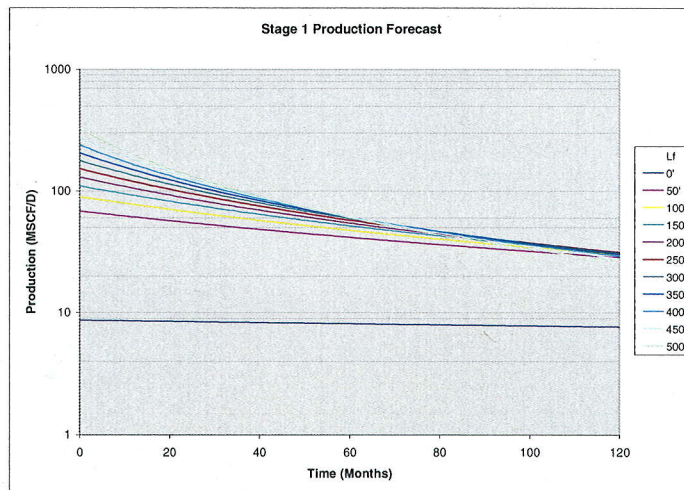
Estimated Frac Costs (\$M) = 114 124 133 143 153 163 173 183 192 202

Swift

Data Format	Percent
Design Driver	ZGPAY
Design Direction	Proppant
Pad Format	Percent
Equivalent Zone ID	3
Fluid Parameters (lb/ft)	3000
Proppant Parameters (lb/ft)	2800
Total Fluid Vol (gal)	163364
Total Proppant (lbs)	123900
OGIP (BCF)	0.484

Steps	1	2	3	4	5	6
Fluid Type	Pad	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater
PPG	Pad	0.5	1	1.5	2	2.5
Fluid Volume (gal)	40841.11	66090	24780	11013.33	4130	16520
% Total Fluid	25	0	0	0	0	0
Proppant Weight (lbs)	0	33040	24780	16520	8260	41300
% Total Prop	0	20	15	10	5	25
Prop Type	0	Sand w/	Sand w/	Sand w/	Sand w/	Sand w/
Rate	0	SandWed	SandWed	SandWed	SandWed	SandWed

Plotted Data



Stage 2 Production

Zone	Zone Start	Zone Stop	Net Pay	Porosity	Sw	khy	HPV	PI	Temp	Area	Phi-h	Phi-hSg	Phi-hSg-Pi	Phi-hSg-T	Zn Name	ZGPAY
10	6854	6866	3	0.0805	0.39	0.000817	0.15	2973	180	20	0.2415	0.147315	437.9675	26.5167	1	12
9	6906	6914	0.5	0.0821	0.41	0.00037	0.02	2994	181	20	0.04105	0.02422	72.51318	4.38373	1	8
8	6919.5	6928.5	6.5	0.0941	0.4	0.009976	0.37	3000	181	20	0.61165	0.36699	1100.97	66.42519	1	9
7	6949.5	6974.5	9.5	0.1017	0.35	0.009697	0.63	3020	182	20	0.96615	0.627998	1896.552	114.2955	1	25
6	7036	7046.5	8	0.0948	0.31	0.010971	0.53	3051	183	20	0.7584	0.523296	1596.576	95.76317	1	10.5

Zone	Zn Start	Zn Stop	Net Pay	Porosity	Sw	khy	HPV	PI	Temp	Area	Phi-h	Phi-hSg	Phi-hSg-Pi	Phi-hSg-T	Zn Name	ZGPAY
Total	6854	7046.5	27.5	0.10	0.35	0.0318	1.70	3020.79	181.40	20.0	2.62	1.69	5104.58	307.38	1.00	64.50

Lf =	0	50	100	150	200	250	300	350	400	450	500
GI / IP30 =	6.31	49.97	65.71	80.54	95.90	112.54	131.15	152.45	177.42	207.37	244.26

Economic Frac Data

	NPV (\$M)	Incr ROI	Frac Cost (\$M)	Incr ROI Plot Point	Costs	Rockies
50	\$74		122		Fixed \$45,000	Bauxite Frac
100	\$109	3	133	75	Prop \$200 /Mlbs	400
150	\$134	2	144	125	Fluid \$450 /Mgal	380
200	\$154	2	155	175		
250	\$171	2	166	225		
300	\$187	1	177	275	Actual Lf	200 ft
350	\$209	2	189	325		
400	\$225	1	200	375		
450	\$242	1	211	425		
500	\$259	2	222	475		

Lf =	50	100	150	200	250	300	350	400	450	500
Propanat =	115133	131580	148028	164475	180923	197370	213818	230265	246713	263160
Fluid =	120577	137802	155028	172253	189478	206704	223929	241154	258379	275605

Lf =	50	100	150	200	250	300	350	400	450	500
Prop =	23,027	26,316	29,606	32,895	36,185	39,474	42,764	46,053	49,343	52,632
Fluid =	54,260	62,011	69,762	77,514	85,265	93,017	100,768	108,519	116,271	124,022

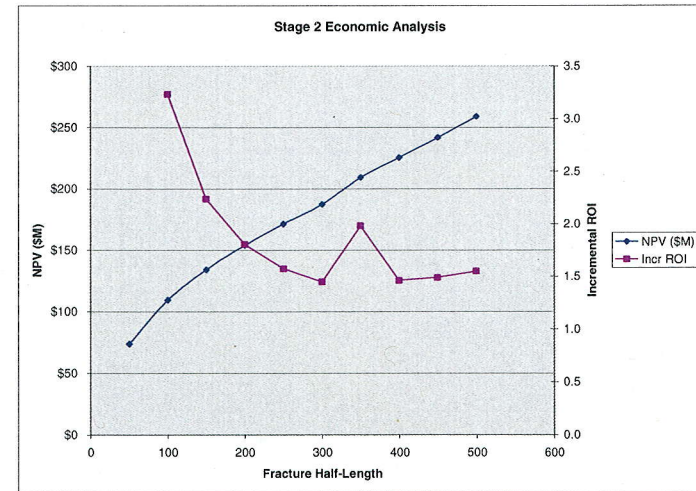
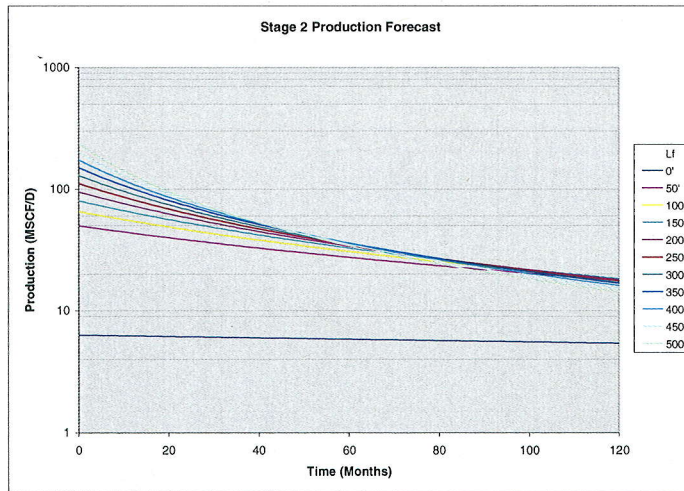
Estimated Frac Costs (M\$) =	122	133	144	155	166	177	189	200	211	222
------------------------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Swift

Data Format	Percent
Design Driver	ZGPAY
Design Direction	Proppant
Pad Format	Percent
Equivalent Zone ID	2
Fluid Parameters(gal/ft)	1400
Proppant Parameters(lb/ft)	3000
Total Fluid Vol (gal)	172253
Total Proppant (lbs)	164475
OGIP (BCF)	0.278

Steps	1	2	3	4	5	6	7
Fluid Type	Pad	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater
PPG	Pad	0.5	1	1.5	2	2.5	3
Fluid Volume (gal)	25837.94	58050	38700	25800	9675	7740	6450
% Total Fluid	15	0	0	0	0	0	0
Proppant Weight (lbs)	0	29025	38700	38700	19350	19350	19350
% Total Prop	0	15	20	20	10	10	10
Prop Type	0	20/40	20/40	20/40	20/40	20/40	20/40
Rate	0	20	20	20	20	20	20

Plotted Data



Stage 3 Production

Zone	Zone Start	Zone Stop	Net Pay	Porosity	Sw	khy	HPV	PI	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
13	6608	6650	9	0.1009	0.46	0.002269	0.5	2879	176	20	0.9081	0.490374	1411.787	86.30582	1	42
12	6692	6712	5.5	0.0899	0.48	0.000692	0.26	2906	177	20	0.49445	0.257114	747.1733	45.50918	1	20
11	6726.5	6738.5	8	0.0955	0.39	0.008387	0.47	2918	178	20	0.764	0.46604	1359.905	82.95512	1	12

Zone	Zn Start	Zn Stop	Net Pay	Porosity	Sw	khy	HPV	PI	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
Total	6608	6738.5	22.5	0.10	0.44	0.0113	1.23	2899.7	177.00	20.0	2.17	1.21	3518.86	214.77	1.00	74.00

Lf =	0	50	100	150	200	250	300	350	400	450	500
QI / IP90 =	2.20	17.43	22.91	28.09	33.44	39.25	45.73	53.16	61.87	72.32	85.18

Economic Frac Data

	NPV (\$M)	Incr ROI	Frac Cost (\$M)	Incr ROI Plot Point
50	(\$99)		134	
100	(\$86)	1	146	75
150	(\$77)	1	159	125
200	(\$67)	1	172	175
250	(\$61)	1	184	225
300	(\$55)	0	197	275
350	(\$48)	0	210	325
400	(\$42)	1	222	375
450	(\$34)	1	235	425
500	(\$26)	1	248	475

Costs	Rockies
Fixed	\$45,000 Bauxite Frac
Prop	\$200 /Mbs 400
Fluid	\$450 /Mgal 380
Actual Lf	200 ft

Lf =	50	100	150	200	250	300	350	400	450	500
Propan =	132090	150960	169830	188700	207570	226440	245310	264180	283050	301920
Fluid =	138336	158099	177861	197624	217386	237148	256911	276673	296435	316198

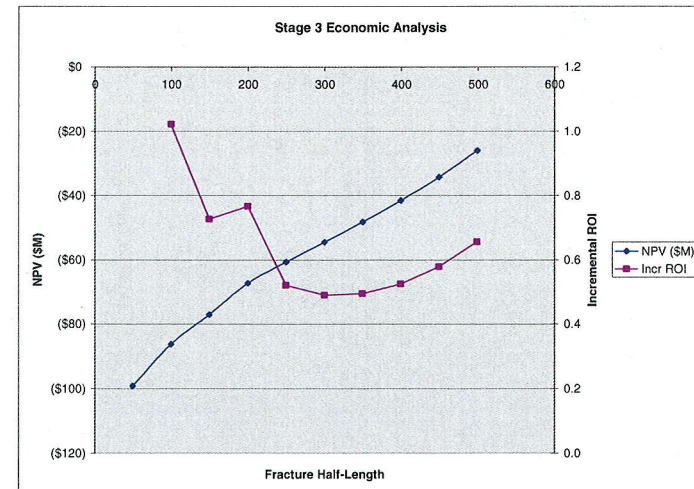
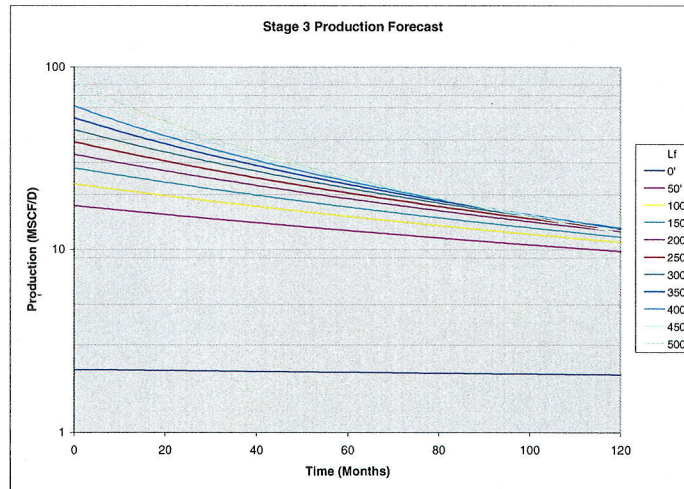
Lf =	50	100	150	200	250	300	350	400	450	500
Prop =	26,418	30,192	33,966	37,740	41,514	45,288	49,062	52,836	56,610	60,384
Fluid =	62,251	71,144	80,038	88,931	97,824	106,717	115,610	124,503	133,396	142,289
Estimated Frac Costs (M\$) =	134	146	159	172	184	197	210	222	235	248

Swift

Data Format	Percent
Design Driver	ZGPAY
Design Direction	Proppant
Pad Format	Percent
Equivalent Zone ID	2
Fluid Parameters(gal/ft)	1400
Proppant Parameters(lb/ft)	3000
Total Fluid Vol (gal)	197624
Total Proppant (lbs)	188700
OGIP (BCF)	0.195

Steps	1	2	3	4	5	6	7
Fluid Type	Pad	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater
PPG	0.5	1	1.5	2	2.5	3	
Fluid Volume (gal)	29643.53	66600	44400	29600	11100	8880	7400
% Total Fluid	15	0	0	0	0	0	0
Proppant Weight (lbs)	0	33300	44400	44400	22200	22200	22200
% Total Prop	0	15	20	20	10	10	10
Prop Type	0	20/40	20/40	20/40	20/40	20/40	20/40
Rate	0	20	20	20	20	20	20

Plotted Data



Stage 4 Production

Zone	Zone Start	Zone Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
16	6393.5	6414	12	0.1106	0.46	0.006795	0.72	2777	173	20	1.3272	0.716688	1990.243	123.987	1	20.5
15	6453.5	6461	6.5	0.1146	0.41	0.010111	0.45	2798	173	20	0.7449	0.439491	1229.696	76.03194	1	7.5
14	6488	6510	18	0.1122	0.44	0.010336	1.14	2819	174	20	2.0196	1.130976	3188.221	196.7898	1	22

Zone	Zn Start	Zn Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
Total	6393.5	6510	36.5	0.11	0.44	0.0272	2.31	2801.8	173.33	20.0	4.09	2.29	6408.16	396.81	1.00	50.00

Lf =	0	50	100	150	200	250	300	350	400	450	500
QI / IP30 =	7.64	60.48	79.52	87.47	116.06	136.21	158.72	184.50	214.72	250.97	295.62

Economic Frac Data

	NPV (\$M)	Incr ROI	Frac Cost (\$M)	Incr ROI Plot Point
50	\$163		103	
100	\$214	6	112	75
150	\$251	4	120	125
200	\$282	4	128	175
250	\$317	4	137	225
300	\$344	3	145	275
350	\$371	3	153	325
400	\$397	3	162	375
450	\$423	3	170	425
500	\$451	3	178	475

Costs	Rockies
Fixed	\$45,000 Bauxite Frac
Prop	\$200 /Mbs 400
Fluid	\$450 /Mgal 380

Actual Lf 200 ft

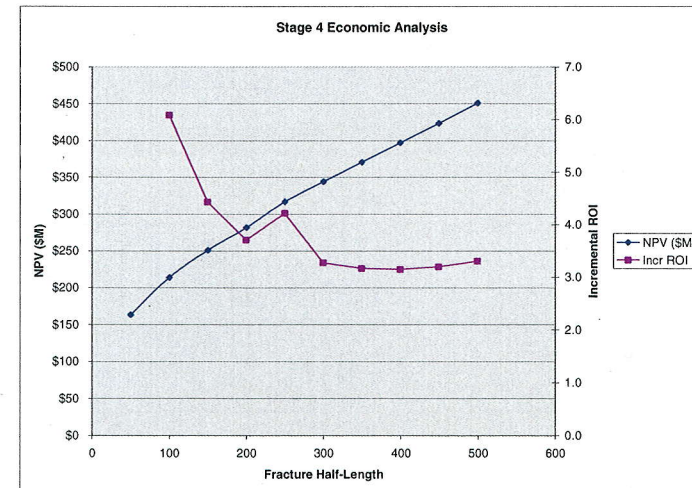
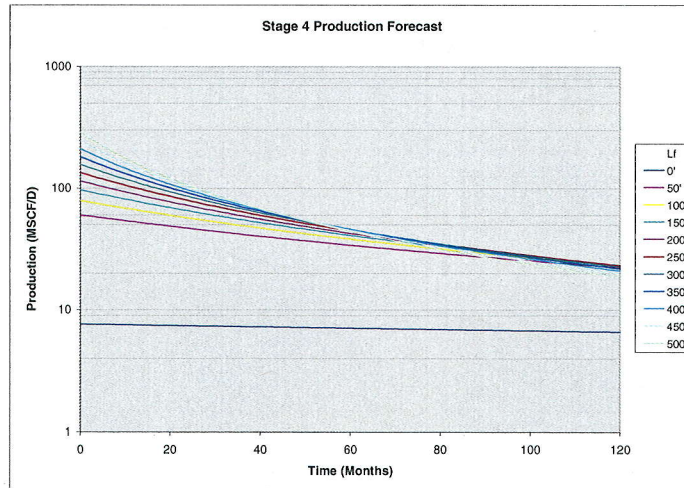
Lf =	50	100	150	200	250	300	350	400	450	500
Proport =	73500	84000	94500	105000	115500	126000	136500	147000	157500	168000
Fluid =	96911	110756	124600	138444	152289	166133	179978	193822	207667	221511

Lf =	50	100	150	200	250	300	350	400	450	500
Prop =	14,700	16,800	18,900	21,000	23,100	25,200	27,300	29,400	31,500	33,600
Fluid =	43,610	49,840	56,070	62,300	68,530	74,760	80,990	87,220	93,450	99,680
Estimated Frac Costs (M\$) =	103	112	120	128	137	145	153	162	170	178

Swift

Data Format	Percent	Steps	1	2	3	4	5	6
Design Driver	ZGPAY	Fluid Type	Pad	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater
Design Direction	Proppant	PPG	Pad	0.5	1	1.5	2	2.5
Pad Format	Percent	Fluid Volume (gal)	\$4611.11	56000	21000	9333.333	3500	14000
Equivalent Zone ID	3	% Total Fluid	25	0	0	0	0	0
Fluid Parameters(gal/ft)	3000	Proppant Weight (lbs)	0	28000	21000	14000	7000	35000
Proppant Parameters(lb/ft)	2800	% Total Prop	0	20	15	10	5	25
Total Fluid Vol (gal)	138444	Prop Type	0	Sand w/	Sand w/	Sand w/	Sand w/	Sand w/
Total Proppant (lbs)	105000			SandWed	SandWed	SandWed	SandWed	SandWed
OGIP (BCF)	0.360	Rate	0	0	0	0	0	0

Plotted Data



Stage 5 Production

Zone	Zone Start	Zone Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
17	6222	6249.5	20.5	0.1057	0.49	0.010111	1.12	2706	170	20	2.16685	1.105094	2990.383	187.8859	1	27.5

Zone	Zn Start	Zn Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
Total	6222	6249.5	20.5	0.11	0.49	0.0101	1.12	2706	170.00	20.0	2.17	1.11	2990.38	187.87	1.00	27.50

Lf =	0	50	100	150	200	250	300	350	400	450	500
Q1 / IP30 =	4.51	35.71	46.96	57.56	68.53	80.43	93.73	109.95	126.79	148.20	174.57

Economic Frac Data

	NPV (\$M)	Incr ROI	Frac Cost (\$M)	Incr ROI Plot Point
50	\$24		78	
100	\$49	5	83	75
150	\$67	4	87	125
200	\$82	3	92	175
250	\$96	3	97	225
300	\$108	3	101	275
350	\$120	3	106	325
400	\$137	4	111	375
450	\$149	3	116	425
500	\$162	3	120	475

Costs	Rockies
Fixed	\$45,000 Bauxite Frac
Prop	\$200 /Mbs 400
Fluid	\$450 /Mgal 390
Actual Lf	200 ft

Lf =	50	100	150	200	250	300	350	400	450	500
Propan =	49088	56100	63113	70125	77138	84150	91163	98175	105188	112200
Fluid =	51409	58753	66097	73441	80785	88129	95474	102818	110162	117506

Lf =	50	100	150	200	250	300	350	400	450	500
Prop =	9,818	11,220	12,623	14,025	15,428	16,830	18,233	19,635	21,038	22,440
Fluid =	23,134	26,439	29,744	33,049	36,353	39,658	42,963	46,268	49,573	52,878

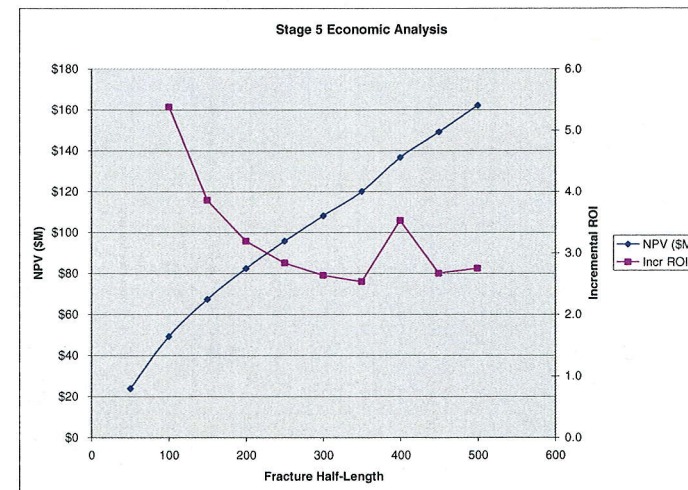
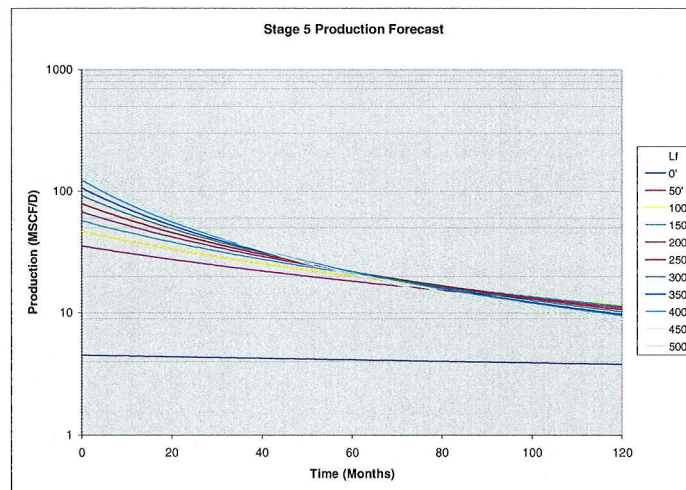
Estimated Frac Costs (M\$) =	78	83	87	92	97	101	106	111	116	120
------------------------------	----	----	----	----	----	-----	-----	-----	-----	-----

Swift

Data Format	Percent
Design Driver	ZGPAY
Design Direction	Proppant
Pad Form	Percent
Equivalent Zone ID	2
Fluid Parameters(gal/ft)	1400
Proppant Parameters(b/ft)	3000
Total Fluid Vol (gal)	73441
Total Proppant (lbs)	70125
OGIP (BCF)	0.170

Steps	1	2	3	4	5	6	7
Fluid Type	Pad	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater
PPG	Pad	0.5	1	1.5	2	2.5	3
Fluid Volume (gal)	11016.18	24750	16500	11000	4125	3300	2750
% Total Fluid	15	0	0	0	0	0	0
Proppant Weight (lbs)	0	12375	16500	16500	8250	8250	8250
% Total Prop	0	15	20	20	10	10	10
Prop Type	0	20/40	20/40	20/40	20/40	20/40	20/40
Rate	0	20	20	20	20	20	20

Plotted Data



Stage 6 Production

Zone	Zone Start	Zone Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
19	4467.5	4496	24.5	0.1167	0.41	0.010738	1.67	1947	142	20	2.85915	1.686899	3284.391	239.5396	1	28.5
18	4502	4524.5	11	0.0687	0.31	0.002777	0.52	1959	142	20	0.7557	0.521433	1021.487	74.04349	1	22.5

Zone	Zn Start	Zn Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
Total	4467.5	4524.5	35.5	0.10	0.39	0.0135	2.19	1949.83	142.00	20.0	3.61	2.21	4305.88	313.58	1.00	51.00

Lf =	0	50	100	150	200	250	300	350	400	450	500
Q1/IP30 =	3.69	29.24	38.45	47.13	56.12	65.86	76.74	89.21	103.82	121.35	142.94

Economic Frac Data

	NPV (\$M)	Incr ROI	Frac Cost (\$M)	Incr ROI Plot Point
50	\$2		106	
100	\$32	3	115	75
150	\$54	3	124	125
200	\$73	2	132	175
250	\$96	3	141	225
300	\$113	2	150	275
350	\$130	2	158	325
400	\$148	2	167	375
450	\$166	2	176	425
500	\$185	2	185	475

Costs	Rockies
Fixed	\$45,000
Prop	\$200 /Mbs
Fluid	\$450 /Mgal
Actual Lf	200 ft

Lf =	50	100	150	200	250	300	350	400	450	500
Propan	91035	104040	117045	130050	143055	156060	169065	182070	195075	208080
Fluid =	95340	108960	122580	136200	149820	163440	177060	190680	204300	217920

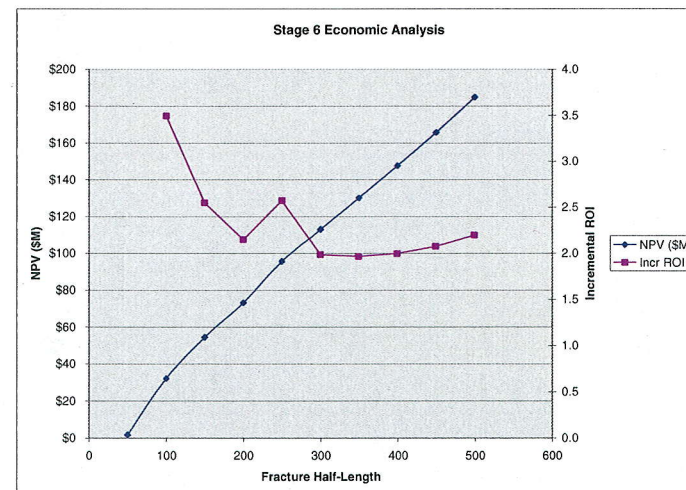
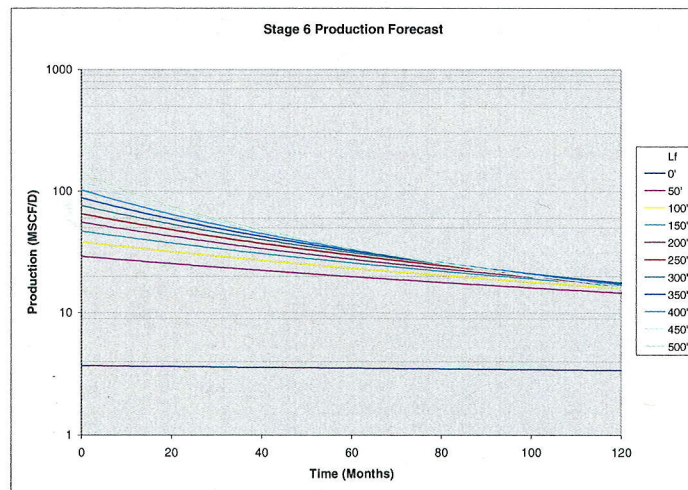
Lf =	50	100	150	200	250	300	350	400	450	500
Prop =	18,207	20,808	23,409	26,010	28,611	31,212	33,813	36,414	39,015	41,616
Fluid =	42,903	49,032	55,161	61,290	67,419	73,548	79,677	85,806	91,935	98,064
Estimated Frac Costs (M\$) =	106	115	124	132	141	150	158	167	176	185

Swift

Data Format	Percent
Design Driver	ZGPAY
Design Direction	Propan
Pad Format	Percent
Equivalent Zone ID	2
Fluid Parameters(gal/ft)	1400
Propan Parameters(b/ft)	3000
Total Fluid Vol (gal)	136200
Total Propan (lbs)	130050
OGIP (BCF)	0.265

Steps	1	2	3	4	5	6	7
Fluid Type	Pad	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater
PPG	Pad	0.5	1	1.5	2	2.5	3
Fluid Volume (gal)	20430	45900	30600	20400	7650	6120	5100
% Total Fluid	15	0	0	0	0	0	0
Propan Weight (lbs)	0	22950	30600	30600	15300	15300	15300
% Total Prop	0	15	20	20	10	10	10
Prop Type	0	20/40	20/40	20/40	20/40	20/40	20/40
Rate	0	20	20	20	20	20	20

Plotted Data



Stage 7 Production

Zone	Zone Start	Zone Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
20	4170.5	4191	13.5	0.1363	0.5	0.004487	0.92	1815	137	20	1.84005	0.920025	1669.845	126.0434	1	20.5

Zone	Zn Start	Zn Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
Total	4170.5	4191	13.5	0.14	0.50	0.0045	0.92	1815	137.00	20.0	1.84	0.92	1669.85	126.04	1.00	20.50

Lf =	0	50	100	150	200	250	300	350	400	450	500
OI / IP90 =	0.66	5.25	6.61	6.47	10.08	11.83	13.79	16.02	18.65	21.80	25.68

Economic Frac Data

	NPV (\$M)	Incr ROI	Frac Cost (\$M)	Incr ROI Plot Point
50	(\$70)		70	
100	(\$73)	-1	73	75
150	(\$77)	-1	77	125
200	(\$80)	-1	80	175
250	(\$81)	0	84	225
300	(\$78)	1	87	275
350	(\$74)	1	91	325
400	(\$69)	1	94	375
450	(\$63)	2	98	425
500	(\$56)	2	101	475

Costs	Rockies
Fixed	\$45,000
Prop	\$200 /Mbs
Fluid	\$450 /Mgal
Actual Lf	200 ft

Lf =	50	100	150	200	250	300	350	400	450	500
Proppant =	36593	41820	47048	52275	57503	62730	67958	73185	78413	83640
Fluid =	38323	43798	49272	54747	60222	65696	71171	76646	82121	87595

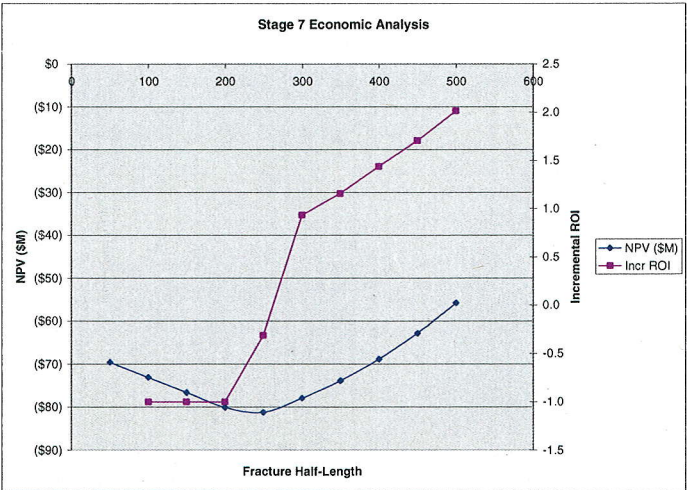
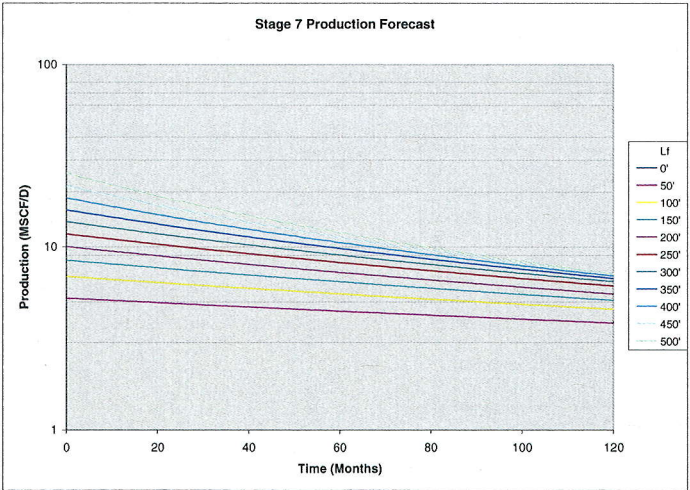
Lf =	50	100	150	200	250	300	350	400	450	500
Prop =	7,319	8,364	9,410	10,455	11,501	12,546	13,592	14,637	15,683	16,728
Fluid =	17,245	19,709	22,173	24,636	27,100	29,563	32,027	34,491	36,954	39,418
Estimated Frac Costs (\$M) =	70	73	77	80	84	87	91	94	98	101

Swift

Data Format	Percent
Design Driver	ZGPAY
Design Direction	Proppant
Pad Format	Percent
Equivalent Zone ID	2
Fluid Parameters(gal/ft)	1400
Proppant Parameters(lb/ft)	3000
Total Fluid Vol (gal)	54747
Total Proppant (lbs)	52275
OGIP (BCF)	0.104

Steps	1	2	3	4	5	6	7
Fluid Type	Pad	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater
PPG	Pad	0.5	1	1.5	2	2.5	3
Fluid Volume (gal)	8212.059	18450	12300	8200	3075	2460	2050
% Total Fluid	15	0	0	0	0	0	0
Proppant Weight (lbs)	0	9225	12300	12300	6150	6150	6150
% Total Prop	0	15	20	20	10	10	10
Prop Type	0	20/40	20/40	20/40	20/40	20/40	20/40
Rate	0	20	20	20	20	20	20

Plotted Data



Stage 8 Production

Zone	Zone Start	Zone Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
25	3909.5	3913.5	4	0.0885	0.4	0.003472	0.21	1695	133	20	0.354	0.2124	360.018	28.2492	1	4
24	3939	3942.5	4	0.1136	0.38	0.010226	0.28	1707	133	20	0.4544	0.281728	480.9097	37.46982	1	3.5
23	3970	3977	7.5	0.1244	0.42	0.010526	0.54	1722	134	20	0.933	0.54114	931.8431	72.51276	1	7
22	3985	4036	25.5	0.1055	0.41	0.010279	1.57	1748	135	20	2.69025	1.587248	2774.509	214.2784	1	51
21	4054	4072.5	11.5	0.1236	0.38	0.1015	0.88	1763	135	20	1.4214	0.881268	1553.675	118.9712	1	18.5

Zone	Zn Start	Zn Stop	Net Pay	Porosity	Sw	khy	HPV	Pi	Temp	Area	Φ-h	Φ-hSg	Φ-hSg-Pi	Φ-hSg-T	Zn Name	ZGPAY
Total	3909.5	4072.5	52.5	0.11	0.40	0.1360	3.48	1741.25	134.00	20.0	5.85	3.50	6100.95	471.48	1.00	84.00

Lf =	0	50	100	150	200	250	300	350	400	450	500
QI / IP90 =	15.70	124.31	163.45	200.85	238.55	279.97	326.24	379.24	441.34	515.86	607.63

Economic Frac Data

	NPV (\$M)	Incr ROI	Frac Cost (\$M)	Incr ROI Plot Point
50	\$303		143	
100	\$355	4	157	75
150	\$390	2	171	125
200	\$416	2	185	175
250	\$439	2	199	225
300	\$459	1	213	275
350	\$478	1	227	325
400	\$496	1	241	375
450	\$513	1	255	425
500	\$531	1	269	475

Costs	Rockies
Fixed	\$45,000 Bauxite Frac
Prop	\$200 /Mbs 400
Fluid	\$450 /Mgal 380

Actual Lf 200 ft

Lf =	50	100	150	200	250	300	350	400	450	500
Propan =	123480	141120	158760	176400	194040	211680	229320	246960	264600	282240
Fluid =	162811	180069	209328	232587	255845	279104	302363	325621	348880	372139

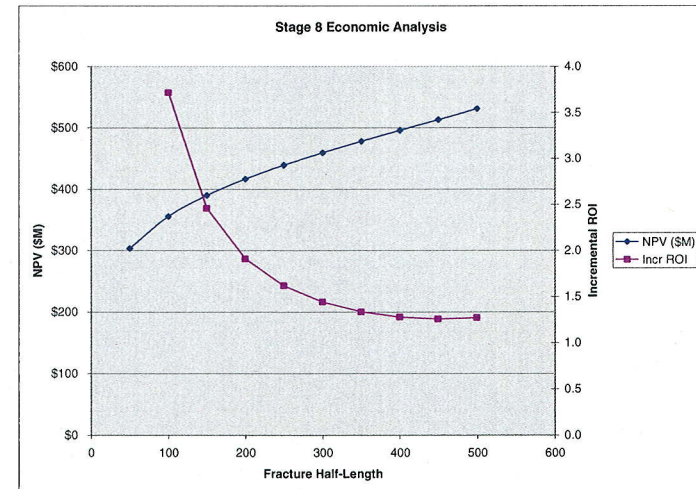
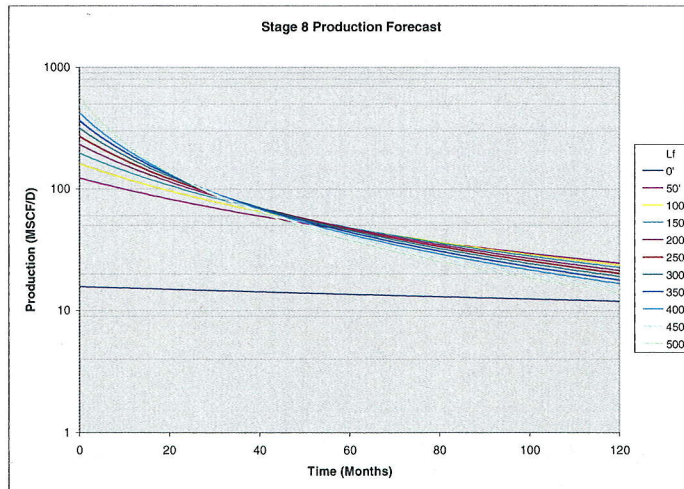
Lf =	50	100	150	200	250	300	350	400	450	500
Prop =	24,696	28,224	31,752	35,280	38,808	42,336	45,864	49,392	52,920	56,448
Fluid =	73,265	83,731	94,198	104,664	115,130	125,597	136,063	146,530	156,996	167,462
Estimated Frac Costs (\$M) =	143	157	171	185	199	213	227	241	255	269

Swift

Data Format	Percent
Design Driver	ZGPAY
Design Direction	Proppant
Pad Format	Percent
Equivalent Zone ID	3
Fluid Parameters(gal/ft)	3000
Proppant Parameters(lb/ft)	2800
Total Fluid Vol (gal)	232587
Total Proppant (lbs)	176400
OGIP (BCF)	0.380

Steps	1	2	3	4	5	6
Fluid Type	Pad	Slickwater	Slickwater	Slickwater	Slickwater	Slickwater
PPG	Pad	0.5	1	1.5	2	2.5
Fluid Volume (gal)	58146.67	94080	35280	15680	5880	23520
% Total Fluid	25	0	0	0	0	0
Proppant Weight (lbs)	0	47040	35280	23520	11760	58800
% Total Prop	0	20	15	10	5	25
Prop Type	0	Sand w/ SandWed	Sand w/ SandWed	Sand w/ SandWed	Sand w/ SandWed	Sand w/ SandWed
Rate	0	0	0	0	0	0

Plotted Data



UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: THURSTON ENERGY OPERATING COMPANY, LLC

Well(s) or Site(s): 1.) DIRTY DEVIL 31-15A API #: 43-047-31726

2.) DIRTY DEVIL UNIT 11-29 API #: 43-047-31617

9S 24E 29

Date and Time of Inspection/Violation: April 11, 2011

Mailing Address: Attn: Ralph Curton Jr.

1222 Yates Drive

Longview, TX 75601-4667

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells -According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division notified the previous operator, Dark Horse Exploration, on April 16, 2004, by certified mail about the Dirty Devil 31-15A wells non-compliance issue. When Thurston Energy Operating Company, LLC ("Thurston") assumed ownership of the well, current obligations concerning SI/TA compliance was also assumed. The Division has initiated several contacts with Thurston requesting required documents and action per R649-3-36. On March 29, 2006, the Division notified Thurston by certified mail that the Dirty Devil 31-15A was in non-compliance for SI/TA status. After substantial time had passed, a second notice was sent out via certified mail on September 3, 2008, addressing the wells non-compliance with requirements for SI/TA status. After not getting any response from Thurston, an NOV was issued on January 22, 2009. Thurston replied to the NOV on February 5, 2010, and requested 120 days to conduct tests on said well. To date the well has not shown any evidence of anything having been done to move this well out of noncompliance.

For the Dirty Devil Unit 11-29, the Division has sent notices of non-compliance to Thurston on the following occasions: On September 3, 2008, a first notice was sent. On February 25, 2009, a second notice was sent. Thurston responded on February 5, 2010, stating the well would be put on production within 90 days. On October 22, 2010, a sundry was received by the Division from Thurston, stating this well had returned to production effective October 5, 2010. Ample time has passed since this sundry was received and the Division has not seen or received any supporting data or reports concerning this matter. Division records do not show this well to be producing.

Action: For the wells subject to this notice, Thurston Energy Operating Company, LLC shall either submit the information required by R649-3-36, plug and abandon or place these wells on production.

THURSTON ENERGY OPERATING COMPANY, LLC

April 11, 2011


Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: June 1, 2011

Date of Service Mailing: April 12, 2011

CERTIFIED MAIL NO: 7005 1820 0001 5562 8026



Division's Representative

Operator or Representative

(If presented in person)

cc: LaVonne Garrison, SITLA
Well Files
Operator Compliance File

Effective Date:

9/10/2014

FORMER OPERATOR:	NEW OPERATOR:
Thurston Energy Operating Company P.O. Box 1667 Vernal, UT 84078	Shiny One Operating Company, LLC P.O. Box 1667 Vernal, UT 84078
CA Number(s):	Unit(s):

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See attached list									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 12/10/2014
2. Sundry or legal documentation was received from the **NEW** operator on: 12/10/2015
3. New operator Division of Corporations Business Number: 5917957-0161

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 1/4/2015
4. OPS/SI/TA well(s) reviewed for full cost bonding: 1/4/2015
5. UIC5 on all disposal/injection/storage well(s) approved on: N/A
6. Surface Facility(s) included in operator change: N/A
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000181
2. Indian well(s) covered by Bond Number:
3. State/fee well(s) covered by Bond Number(s): 579-146262-4
579-146263-2
579-146264-0
579-146265-7

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 1/4/2015
2. Entity Number(s) updated in **OGIS** on: 1/4/2015
3. Unit(s) operator number update in **OGIS** on: N/A
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 1/4/2015
6. Surface Facilities update in **RBDMS** on: N/A

LEASE INTEREST OWNER NOTIFICATION:

1. The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 1/4/2015

COMMENTS:

From: Thurston Energy Operating N2790
 To: Shiny One Operating Company, LLC N4185

Effective 10 September 2014

Well Name	Section	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
RED WASH FED 1-18	18	090S	240E	4304730124	6200	Federal	Federal	GW	P
DEVILS PLAYGROUND 41-9	9	090S	240E	4304730339	6195	Federal	Federal	OW	P
DIRTY DEVIL FEDERAL 23-20	20	090S	240E	4304731009	10698	Federal	Federal	GW	P
DIRTY DEVIL 22X-27	27	090S	240E	4304734825	15109	Federal	Federal	GW	P
THURSTON 7-9-9-24 GR	9	090S	240E	4304740625	17771	Federal	Federal	OW	P
THURSTON 10-15-9-24	15	090S	240E	4304740626	17773	State	Federal	GW	P
THURSTON 12-29-9-24	29	090S	240E	4304740628	18119	State	Federal	GW	P
THURSTON 8-9-9-24	9	090S	240E	4304751428	18135	Federal	Federal	OW	P
DEVILS PLAYGROUND 23-17	17	090S	240E	4304730568	6136	Federal	Federal	GW	S
DIRTY DEVIL UNIT 11-29	29	090S	240E	4304731617	9586	State	Fee	GW	S
THURSTON 5-15-9-24	15	090S	240E	4304740627	17772	State	Federal	GW	S

Delaware

The First State

RECEIVED
DEC 30 2014
PAGE 1
Div. of Oil, Gas & Mining

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "THURSTON ENERGY OPERATING COMPANY, LLC", CHANGING ITS NAME FROM "THURSTON ENERGY OPERATING COMPANY, LLC" TO "SHINY ONE OPERATING COMPANY, LLC", FILED IN THIS OFFICE ON THE TWENTY-FIRST DAY OF AUGUST, A.D. 2014, AT 3:24 O'CLOCK P.M.


AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE TENTH DAY OF SEPTEMBER, A.D. 2014.

3972888 8100

141350778

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1824738

DATE: 10-30-14

**STATE OF DELAWARE
CERTIFICATE OF AMENDMENT**

1. Name of Limited Liability Company: Thurston Energy Operating Company, LLC
2. The Certificate of Formation of the limited liability company is hereby amended as follows:

The name of Thurston Energy Operating Company, LLC shall be changed to Shiny One Operating Company, LLC, to be effective September 10, 2014.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 20 day of August, A.D. 2014.

By: _____

Crystal Meeks
Authorized Person(s)

Name: Crystal Meeks - Manager

Print or Type

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CO AGREEMENT NAME:

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

8. WELL NAME and NUMBER:

Dirty Devil unit 11-29

2. NAME OF OPERATOR:

Shiny One Operating Company, LLC

9. API NUMBER:

4-305E109

3. ADDRESS OF OPERATOR:

CITY

Vernal

STATE

UT

ZIP

84079

PHONE NUMBER:

435-709-8500

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Uintah

QUARTER, SECTION, TOWNSHIP, RANGE, MERIDIAN:

29. 0906 240 E. 9506 State

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMBINE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☒ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective 9-10-14

Thurston Energy operating company shall be known
as Shiny One operating company, LLC

RECEIVED

DEC 13 2014

Div. of Oil, Gas & Mining

NAME (PLEASE PRINT)

Crystal Moore

TITLE

Assistant Manager

SIGNATURE

Crystal Moore

DATE

12-8-14

(This space for State use only)

APPROVED

JAN 04 2016

(5/2000)

(See instructions on Reverse Side)

DIV. OIL GAS & MINING
BY: Rachel Medina

Thurston operating.

11-29-9s-24e

Proposed P&A procedure.

- (1) Rig up on well and unseat pump. Flush rods and lay down rods and pump.
- (2) Nipple up bop and circulate well with inhibited water. Retrieve RBP at 6580 & POOH.
- (3) Set retainer at 6400'. Mix and pump 50 sacks of cement below retainer. Leave 5 sks of cement on top of plug.
- (4) Pressure test csg to 500 psi. Set 300' balance plug in 4 ½" csg from 5000' to 4700'.
- (5) Pull tbg and perforate csg with 4 holes at 3500'. Set retainer at 3450' and sting into with tbg. Pump 45 sacks of cement below retainer and leave 5 sacks on top.
- (6) Pull tbg and perf 4 holes at 2000'. Set retainer at 1900' and sting into with tbg. Attempt to circulate well back to surface behind 4.5" csg. Set 300' in and out side of 4.5" csg from 1700' to 2000'.
- (7) Pull tbg out of the hole. Perforate csg at 350' and circulate well down csg and up annulas. Mix cement and circulate well full of cement from 350' to surface. (across surface csg at 250')
- (8) Cut off wellhead and install dry hole marker. Restore location.

All cement will be 15.8 #/gal class G, neat. Yield 1.15, 5 gal / sk mix water.

Dry hole marker and reclamation will be as per state regulations.